IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE ATTACHED DOCUMENT.

Confirmation of your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must be located outside the United States. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular you shall be deemed to have represented to us (1) that you and any customers you represent are, and the electronic mail address that you provided us and to which this e-mail has been delivered is not located in the United States, its territories or its possessions and (2) that you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

By accepting this document, if you are an investor in Singapore, you: (A) represent and warrant that you are either an institutional investor (as defined under Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, or an accredited investor (as defined under Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore; and (B) agree to be bound by the limitations and restrictions described herein. Any reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities in this Offering Circular.

The materials relating to the offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and a dealer or any affiliate thereof is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such dealer or such affiliate on behalf of the Issuer and the Guarantor (as defined in this Offering Circular) in such jurisdiction.

This Offering Circular has been sent to you in an electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Guarantor, the Joint Arrangers (as defined in this Offering Circular), any Dealer (as defined in this Offering Circular), any person who controls any of them or any director, officer, employee or agent of any of them, or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Arrangers or any Dealer.

Actions that You May Not Take: If you receive this Offering Circular by e-mail, you should not reply by e-mail to this Offering Circular, and you may not purchase any securities by doing so. Any reply by e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. If you receive this Offering Circular by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

SATS TREASURY PTE. LTD.

(Incorporated in the Republic of Singapore on 13 March 2023)
(Company Registration No. 202309453C)

U.S.$3,000,000,000
Guaranteed Multicurrency Debt Issuance Programme
Unconditionally and Irrevocably Guaranteed By

SATS LTD.

(Incorporated in the Republic of Singapore on 15 December 1972)
(Company Registration No. 197201770G)

Under this US$3,000,000,000 Guaranteed Multicurrency Debt Issuance Programme (the "**Programme**"), SATS Treasury Pte Ltd. (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**") or perpetual securities (the "**Securities**", and together with the Notes, the "**Instruments**") denominated in any currency as agreed between the Issuer and the relevant Dealer (as defined below). Notes and Securities issued by the Issuer shall be unconditionally and irrevocably guaranteed by SATS Ltd. ("**SATS**", the "**Guarantor**" or the "**Company**"). The Securities may rank as senior obligations (the "**Senior Securities**") or subordinated obligations (the "**Subordinated Securities**") of the Issuer.

Instruments may be issued in bearer or registered form (respectively "**Bearer Notes**", "**Registered Notes**", "**Bearer Securities**" and "**Registered Securities**"). The maximum aggregate nominal amount of all Instruments from time to time outstanding under the Programme will not exceed US$3,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement described herein), subject to increase as described herein.

The Instruments may be issued by the Issuer on a continuing basis to one or more Dealers (as defined herein) specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Instruments being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Instruments.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in connection with the Programme and application will be made to the SGX-ST for permission to deal in, and for a quotation of, any Instruments to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Instruments have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. The approval in-principle from, and the admission of any Instruments to the Official List of, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantor, the Programme or the Instruments.

Notice of the aggregate nominal amount of Instruments, interest (if any) or distribution (if any), as the case may be, payable in respect of Instruments, the issue price of Instruments and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Overview of the Programme*") of Instruments, will be set out in a pricing supplement (the "**Pricing Supplement**") which, with respect to Instruments to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of listing of the Instruments of such Tranche.

The Programme provides that Instruments may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue Instruments which are unlisted and/or not admitted to trading on any market.

Each Tranche of Instruments of each Series (as defined in "*Overview of the Programme*") in bearer form will be represented on issue by (i) in the case of Notes, a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**") and (ii) in the case of Securities, a temporary global perpetual security in bearer form (each a "**Temporary Global Security**") or a permanent global perpetual security in bearer form (each a "**Permanent Global Security**"). Instruments in registered form will initially be represented by (i) in the case of Notes, a global note in registered form (each a "**Global Note Certificate**" and together with any Temporary Global Notes and Permanent Global Notes, the "**Global Notes**" and each a "**Global Note**") and (ii) in the case of Securities, a global perpetual security in registered form (each a "**Global Security Certificate**", and together with any Temporary Global Securities and Permanent Global Securities, the "**Global Securities**" and each a "**Global Security**"). Global Notes and Global Securities may be deposited on the issue date with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A ("**Clearstream, Luxembourg**"). Global Notes and Global Securities may also be deposited with The Central Depository (Pte) Limited ("**CDP**").

The Instruments have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. State securities laws and may not be offered or sold in the United States unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See "*Form of the Notes*" and "*Form of the Securities*" for descriptions of the manner in which the Instruments will be issued. The Instruments are subject to certain restrictions on transfer, see "*Subscription and Sale*".

The Instruments in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States, its territories or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**"). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Instruments may not be circulated or distributed, nor may the Instruments be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018. A reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The Issuer may agree with any Dealer and the Trustee (as defined herein) that Instruments may be issued in a form not contemplated by, as the case may be, the Terms and Conditions of the Notes or the Terms and Conditions of the Securities, in which event a supplemental Offering Circular (including by way of a Pricing Supplement), if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Instruments.

The Guarantor has been assigned an A3 issuer rating and a baa3 Baseline Credit Assessment by Moody's Investors Service, Inc. ("**Moody's**"). The Programme has been assigned a rating of (P)A3 by Moody's. The provisional rating is only applicable to the issuance of senior unsecured notes from the Programme. Instruments issued under the Programme may be rated or unrated. Where an issue of a certain series of Instruments is rated, such rating will not necessarily be the same as the rating(s) assigned to the Guarantor or the Programme, and (where applicable) such rating will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Investing in Instruments issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Instruments in the context of their financial position and particular circumstances. Investors should also have the financial capacity to bear the risks associated with an investment in Instruments. Investors should not purchase Instruments unless they understand and are able to bear risks associated with the Instruments. The principal risk factors that may affect the abilities of the Issuer and the Guarantor to fulfil their respective obligations in respect of the Instruments are discussed under "*Risk Factors*".

Joint Arrangers and Dealers

DBS OCBC

The date of this Offering Circular is 17 November 2023

IMPORTANT NOTICE

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that to the best of its knowledge and belief (i) this Offering Circular contains all information with respect to SATS and its Subsidiaries (the "**Group**"), and to the Instruments which is material in the context of the Programme or the issue and offering of the Instruments; (ii) such information with respect to the Issuer, the Guarantor, the Group and to the Instruments contained in this Offering Circular are true and accurate in all material respects, and that there are no other facts in relation to the Issuer, the Guarantor, the Group or to the Instruments the omission of which would in the context of the Programme or the issue and offering of the Instruments make any statement in this Offering Circular misleading in any material respect; (iii) the statements of intention, opinion, belief or expectation of the Issuer and the Guarantor contained in this Offering Circular are honestly made or held and have been reached after considering all relevant circumstances known to the Issuer or, as the case may be, the Guarantor existing at the date of this Offering Circular and have been based on reasonable assumptions; and (iv) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such statements.

Each Tranche of Instruments will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Securities*" respectively, as amended and/or supplemented by the Pricing Supplement specific to such Tranche. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Instruments, must be read and construed together with the applicable Pricing Supplement.

References in this Offering Circular to "**Conditions**" shall, when made in respect of Notes, mean the Conditions set out in the "*Terms and Conditions of the Notes*" and, when made in respect of Securities, mean the Conditions set out in the "*Terms and Conditions of the Securities*".

No person is or has been authorised by the Issuer, the Guarantor, the Group, the Trustee, the Joint Arrangers or the Dealers to give any information or to make any representations other than those contained in this Offering Circular in connection with the Programme or the Instruments and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Guarantor, the Group, the Trustee, the Joint Arrangers or the Dealers. Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Instruments are the persons named in the applicable Pricing Supplement as the relevant Dealers.

Copies of Pricing Supplements will be available for inspection at the specified office (set out below) of the Principal Paying Agent (as defined below) (save that a Pricing Supplement relating to an unlisted Note or Security will only be available for inspection by a holder of such Note or Security and such holder must produce evidence satisfactory to the Issuer or the Principal Paying Agent, as applicable, as to its holding of Instruments, as the case may be, and its identity), unless such documents are published on the website of SGX-ST.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

The Joint Arrangers, the Dealers and the Trustee have not separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Joint Arrangers, the Dealers or the Trustee makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. None of the Joint Arrangers, the Dealers or the Trustee accepts any responsibility for the contents of this Offering Circular. Each of the Joint Arrangers, the Dealers and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

Neither this Offering Circular nor any financial statements included or incorporated herein are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Group, the Joint Arrangers, the Dealers or the Trustee that any recipient of this Offering Circular or any such financial statements should purchase the Instruments. Each potential investor should determine for itself the relevance of the information contained in this Offering Circular and make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Guarantor, the Group and the risks involved. The purchase of Instruments by investors should be based upon their investigation as they deem necessary. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Instruments constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor, the Group, and of the Trustee, the Joint Arrangers or the Dealers to any person to subscribe for or to purchase any Instruments.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Instruments shall in any circumstances imply or constitute a representation that the information contained herein is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Arrangers, the Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor or potential investor in the Instruments of any information coming to their attention.

Neither this Offering Circular nor any applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy any Instruments in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Instruments may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantor, the Group, the Joint Arrangers, the Dealers and the Trustee or any of their respective directors, officers, employees, representatives, advisers or agents, or any affiliate of any such person represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Group, the Joint Arrangers, the Dealers or the Trustee which would permit a public offering of any Instruments or distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action for that purpose is required. Accordingly, no Instruments may be offered or sold, directly or indirectly, and neither this Offering Circular nor any applicable Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular, any Pricing Supplement or any Instruments may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular, any Pricing Supplement and the offering and sale of Instruments. In particular, there are

restrictions on the distribution of this Offering Circular and the offer or sale of the Instruments in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong, Singapore and the People's Republic of China. See "*Subscription and Sale*".

The Instruments have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and Bearer Securities are subject to U.S. tax law requirements. The Instruments may not be offered or sold in the United States (or, in certain circumstances, to, or for the account or benefit of, U.S. persons) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Accordingly, the Instruments are being offered and sold only outside the United States in reliance on Regulation S under the Securities Act (see "*Subscription and Sale*").

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Instruments outside the United States. The Issuer, the Guarantor and the Dealers reserve the right to reject any offer to purchase the Instruments, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer or the Guarantor of any of their contents to any person within the United States, is prohibited.

Market data and certain industry forecasts used throughout this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Guarantor, the Group, the Joint Arrangers, the Dealers, the Trustee or the Agents makes any representation as to the accuracy of that information.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer and the Guarantor in such jurisdiction.

PRODUCT GOVERNANCE UNDER DIRECTIVE 2014/65/EU (AS AMENDED)

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Joint Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

The Pricing Supplement in respect of any Instruments may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any person subsequently offering, selling or recommending the Instruments (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**EU MiFID II**") is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

PRODUCT GOVERNANCE UNDER UK MIFIR

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Joint Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

The Pricing Supplement in respect of any Instruments may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

IMPORTANT – EEA RETAIL INVESTORS

If the Pricing Supplement in respect of any Instruments includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of **EU MiFID II**; (ii) a customer within the meaning of Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS

If the Pricing Supplement in respect of any Instruments includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B OF THE SFA

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise stated in the Pricing Supplement in respect of any Instruments, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that all Instruments issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

The Group's audited consolidated financial statements as at and for the financial years ended 31 March 2022 and 2023 are prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). Unless otherwise indicated, the financial information in this Offering Circular relating to the Group has been derived from the audited consolidated financial statements of the Company for the financial years ended 31 March 2022 and 31 March 2023.

The Group's unaudited consolidated financial statements as at and for the six months ended 30 September 2023 has been reviewed in accordance with the Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* by the auditors of the Guarantor.

The Group's consolidated financial information as at and for the six months ended 30 September 2022 and 30 September 2023 have not been audited by the auditors of the Group. There can be no assurance that if such financial information had been audited that there would be no change in the financial information and that such changes would not be material or that such financial information has been prepared and presented on a basis consistent with the accounting policies normally adopted by the Group and applied in preparing the consolidated financial information as at and for the year ended 31 March 2023. Consequently, such financial information may not provide the same quality of information associated with financial information that has been subject to an audit. Potential investors must therefore exercise caution when using such data to evaluate the Group's financial condition, results of operations and results.

As of the date of this Offering Circular, the consolidated financial statements as at and for the six months ended 30 September 2023 are the latest available reviewed financial statements of the Group, and the consolidated financial statements for the financial year ended 31 March 2023 are the latest available audited financial statements of the Group.

As of the date of this Offering Circular, the Group has completed the acquisition of Worldwide Flight Services, including WFS Global Holding SAS ("**WFS**") and its subsidiaries. The parent company of WFS is Neptune Holdings 4 B.V (formerly known as Promontoria Holding 264 B.V.) ("**Neptune Holdings 4**"), and the financial information reporting of WFS is consolidated into the audited consolidated special-purpose financial statements of Neptune Holdings 4 (Neptune Holdings 4 and its subsidiaries being (the "**WFS Group**")). The audited consolidated special-purpose financial statements of Neptune Holdings 4 for the financial years ended 31 December 2021 and 2022 were prepared in accordance with French Generally Accepted Accounting Principles ("**French GAAP**"). Unless otherwise indicated, the financial information in this Offering Circular relating to WFS has been derived from the audited consolidated special-purpose financial statements of Neptune Holdings 4 for the financial years ended 31 December 2021 and 31 December 2022.

Comparability of Financial Information

On 3 April 2023, the Group completed the acquisition of WFS. See "*Description of the Group – Acquisition of Worldwide Flight Services*". As a result, the audited consolidated financial statements of the Group as at and for the financial year ended 31 March 2022 and 2023 may not be indicative of the Group's future performance. The Group's revenue, expenses and operating results may also vary from period to period in response to a variety of factors beyond its control.

For these reasons, the period-to-period comparison of the Group's consolidated financial information for the six months ended 30 September 2022 and the Group's consolidated financial information for the six months ended 30 September 2023 may not be meaningful. Caution should be exercised in using such comparisons as a basis for any investment decision or to predict the future performance of the Group.

Non-SFRS(I) Financial Measures

EBITDA and the financial ratios (the "**Non-Accounting Measures**") presented in this Offering Circular are supplemental measures of the performance and liquidity of the Issuer, the Guarantor, the Group, as the case may be, that are not required by, or presented in accordance with SFRS(I). Unless otherwise specified, EBITDA in this Offering Circular represents the Issuer's, the Guarantor's, or the Group's, as the case may be, earnings (including share of results of associates/joint ventures) before interest, tax, depreciation and amortisation, and excludes other non-operating gain/loss. The Non-Accounting Measures are not measurements of financial performance or liquidity under SFRS(I) and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with SFRS(I) or as alternatives to cash flow from operating activities as a measure of liquidity. In addition, the Non-Accounting Measures are not standardised terms, hence a direct comparison between companies using such terms may not be possible.

The Issuer believes that EBITDA facilitates comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation of expense), and one-off items such as impairment, gain on dilution of interest in associate and gain on disposal of joint venture and Subsidiary. EBITDA has been presented because it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-SFRS(I) financial measures when reporting their results. Finally, EBITDA is presented as a supplemental measure of the Issuer's, the Guarantor's, the Group's ability to service debt. Nevertheless, EBITDA has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, the financial condition or results of operations of the Issuer, the Guarantor and the Group, as reported under SFRS(I). Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of the Issuer, the Guarantor, and the Group's business.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in "*Terms and Conditions of the Notes*", "*Terms and Conditions of the Securities*" or any other section of this Offering Circular. In addition, the following terms as used in this Offering Circular have the meanings defined below:

Unless otherwise specified or the context requires, references herein to:

- "**Euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;

- "**FY2022**" means the financial year ended 31 March 2022;

- "**FY2023**" means the financial year ended 31 March 2023;

- "**6MFY2024**" means the six months ended 30 September 2023;

- "**6MFY2023**" means the six months ended 30 September 2022;

- the "**Group**" means SATS and its Subsidiaries, taken as a whole;

- "**Associated Companies**" shall mean any company in which at least 20% but not more than 50% of its shares are, directly and/or indirectly, held by the Guarantor, including associates and joint ventures and "**Associated Company**" means any one of them;

- "**Latest Practicable Date**" means 3 November 2023;

- "**Renminbi**" are to the lawful currency of the People's Republic of China;

- "**Singapore**" are to the Republic of Singapore;

- "**Singapore dollars**", "**SGD**" and "**S$**" are to the lawful currency of Singapore;

- "**Sterling**" and "**£**" are to the lawful currency of the United Kingdom; and

- "**U.S. dollars**" and "**US$**" are to the lawful currency of the United States of America.

Rounding adjustments have been made in calculating some of the financial and other numerical information included in this Offering Circular. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

SUITABILITY OF INVESTMENT

The Instruments may not be a suitable investment for all investors. Each potential investor in the Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact the Instruments will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including Instruments with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Instruments and is familiar with the behaviour of any relevant indices and financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Instruments may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Instruments which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of such Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Instruments are legal investments for it, (2) Instruments can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Offering Circular may be deemed to be forward-looking statements. Forward- looking statements include statements concerning the Issuer's, the Guarantor's and/or the Group's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward-looking statements. When used in this Offering Circular, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should", "future", "can" and any similar expressions generally identify forward-looking statements. These words are not the exclusive means of identifying forward-looking statements. The Issuer, the Guarantor, and/or the Group, as the case may be, has based these forward-looking statements on the current view of its management with respect to future events and financial performance. All statements regarding expected financial condition, result of operations, business plans and prospects are forward-looking statements. These forward-looking statements include, but are not limited to, statements as to the business strategy, revenue, profitability, planned projects and other matters as they relate to the Issuer, the Guarantor and/or the Group discussed in the Offering Circular regarding matters that are not historical fact. Although the Issuer, the Guarantor, and the Group believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Offering Circular, if one or more of the risks or uncertainties materialise, including those which the Issuer, the Guarantor, and/or the Group has identified in this Offering Circular under the section "*Risk Factors*", or if any of the Issuer's, Guarantor's, and/or the Group's underlying assumptions prove to be incomplete or inaccurate, the Issuer's, the Guarantor's and/or the Group's results of operation may vary from those expected, estimated or predicted.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer, the Guarantor and/or the Group to be materially different from the future results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Offering Circular, undue reliance must not be placed on those forecasts, projects and statements. The Issuer, the Guarantor, the Group, the Arrangers and the Dealers do not represent, warrant or guarantee that the actual future results, performance or achievements of the Issuer, the Guarantor and/or the Group will be as discussed in those statements.

In addition, even if the Issuer's, the Guarantor's and/or the Group's results, performance or achievements are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods. Any forward-looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, and should only be viewed as historical data. The cautionary statements set forth herein should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer, the Guarantor, the Group and/or persons acting on their behalf may issue. Without prejudice to any requirements under applicable laws and regulations, each of the Issuer, the Guarantor, and the Group expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward-looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward-looking statement is based.

STABILISATION

In connection with the issue of any Tranche of Instruments, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Instruments is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Instruments and 60 days after the date of the allotment of the relevant Tranche of Instruments. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents (including those published or issued from time to time after the date hereof) shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(a) each Pricing Supplement;

(b) the most recently published audited annual consolidated financial statements of the Group (including the auditors' report thereon and notes thereto) and the most recently published unaudited consolidated financial statements of the Group, in each case published subsequently to the date of this Offering Circular from time to time; and

(c) all supplements or amendments to this Offering Circular circulated by the Issuer from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. Copies of the documents listed in (b) above which are deemed to be incorporated by reference in this Offering Circular may be obtained at the SGX-ST's website at www.sgx.com.

Any unaudited financial statements which are, from time to time, deemed to be incorporated by reference in this Offering Circular will not have been audited or subject to review by the auditors of the Group. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them.

Any website referenced in this Offering Circular is intended as a guide as to where other public information relating to the Issuer, the Guarantor and the Group may be obtained free of charge. **Information appearing on such websites does not form part of this Offering Circular or any applicable Pricing Supplement and none of the Issuer, the Guarantor, the Group, the Trustee, the Joint Arrangers and the Dealers or any of their respective directors, officers, employees, representatives, advisers or agents, or any affiliate of any such person accepts any responsibility whatsoever that any information, if available, is accurate and/or up-to-date. Such information, if available, should not form the basis of any investment decision by an investor to purchase or deal in the Instruments.**

DEFINITIONS

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in "*Terms and Conditions of the Notes*", "*Terms and Conditions of the Securities*" or any other section of this Offering Circular. In addition, the following terms as used in this Offering Circular have the meanings defined below:

"**6MFY2023**"	The six months ended 30 September 2022.
"**6MFY2024**"	The six months ended 30 September 2023.
"**Agency Agreement**"	The Agency Agreement dated 17 November 2023 made between (1) the Issuer, as issuer, (2), the Guarantor, as guarantor, (3) The Bank of New York Mellon, Singapore Branch, as principal issuing and paying agent, CDP issuing and paying agent, CDP transfer agent and CDP registrar, and CDP calculation agent (4) The Bank of New York Mellon, London Branch, as non-CDP issuing and paying agent and non-CDP calculation agent, (5) The Bank of New York Mellon SA/NV, Dublin Branch, as non-CDP transfer agent and non-CDP registrar, and (6) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**Agent**"	Each of the Principal Paying Agent, the CDP Issuing and Paying Agent, the CDP Registrar, the CDP Transfer Agent, the CDP Calculation Agent, the Non-CDP Issuing and Paying Agent, the Non-CDP Calculation Agent, the Non-CDP Registrar, the other Paying Agents, or any of them and shall include such other Agent or Agents as may be appointed from time to time under the Agency Agreement.
"**Arrangers**"	DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited.
"**Board**"	The board of Directors of the Company as at the Latest Practicable Date.
"**Business Day**"	A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Singapore and, in respect of Instruments cleared through Euroclear or Clearstream, Luxembourg, London.
"**CAG**"	Changi Airport Group (Singapore) Pte. Ltd.

"**Calculation Agent**"	In relation to any Series of Instruments, unless the Principal Paying Agent or, as the case may be, the CDP Issuing and Paying Agent is acting as Calculation Agent in accordance with the provisions of clause 2.1 of the Agency Agreement, the person appointed as calculation agent in relation to such Series of Instruments pursuant to the terms of a Calculation Agency Agreement (or any other agreement) and shall include any successor calculation agent appointed in respect of such Series of Instruments.
"**CDP**" or the "**Depository**"	The Central Depository (Pte) Limited.
"**CDP Calculation Agent**"	The Bank of New York Mellon, Singapore Branch as CDP calculation agent under the Agency Agreement in respect of Instruments cleared through CDP, which expression shall include any successor CDP calculation agent appointed in accordance with the Agency Agreement.
"**CDP Deed of Covenant**"	The deed of covenant dated 17 November 2023 relating to the Instruments to be cleared through CDP executed by the Issuer.
"**CDP Instruments**"	Instruments cleared with CDP.
"**CDP Issuing and Paying Agent**"	The Bank of New York Mellon, Singapore Branch as CDP issuing and paying agent under the Agency Agreement in respect of each Series of Instruments cleared through CDP, which expression shall include any successor CDP issuing and paying agent appointed in accordance with the Agency Agreement.
"**CDP Registrar**"	The Bank of New York Mellon, Singapore Branch as CDP registrar under the Agency Agreement in respect of each Series of Registered Notes or Registered Securities cleared through CDP, which expression shall include any successor CDP registrar in relation to all or any Series of such Registered Notes or Registered Securities.
"**CDP Transfer Agent**"	The Bank of New York Mellon, Singapore Branch as CDP transfer agent under the Agency Agreement in respect of each Series of Registered Notes or Registered Securities cleared through CDP, which expression shall include any successor and/or additional CDP transfer agent appointed in accordance with the Agency Agreement.
"**China**" or "**PRC**"	The People's Republic of China.
"**Clearstream, Luxembourg**"	Clearstream Banking S.A.
"**Common Depositary**"	In relation to a Series of Notes or a Series of Securities, a depositary common to Euroclear and Clearstream, Luxembourg.

"Companies Act"	The Companies Act 1967 of Singapore, as amended or modified from time to time.
"Conditions"	The terms and conditions of the Notes or the Securities, as the case may be, as scheduled to the Trust Deed, and any reference to a numbered "*Condition*" is to the correspondingly numbered provision thereof.
"DBS"	DBS Bank Ltd.
"Dealers"	DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and any additional Dealer appointed under the Programme from time to time by the Issuer.
"Dealer Agreement"	The Dealer Agreement dated 17 November 2023 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, and (3) DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited, as dealers, as amended, varied or supplemented from time to time.
"Dutch GAAP"	Generally accepted accounting principles in the Netherlands.
"Dutch Holding Companies"	The Target, Neptune Holdings 2 B.V. (formerly known as Promontoria Holding 244 B.V.) and Neptune Holdings 3 B.V. (formerly known as Promontoria Holding 263 B.V.).
"Euro" or **"€"**	The currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.
"Euroclear"	Euroclear Bank SA/NV.
"Food Solutions"	The Group's food solutions business which comprises mainly in-flight catering services, commercial catering services (including institutional catering services), food processing, chilled, frozen and retort food manufacturing, food logistics and distribution services, and airline linen and laundry services.
"French GAAP"	Generally accepted accounting principles in France.
"FSMA"	Financial Services and Markets Act 2000.
"FY"	Financial year.
"FY2021"	FY ended 31 March 2021.
"FY2022"	FY ended 31 March 2022.
"FY2023"	FY ended 31 March 2023.

“**Gateway Services**”	The Group’s gateway services business which encompasses ground handling services, airfreight handling services (including cargo handling), security services and cruise terminal services.
“**Group**”	The Company and its Subsidiaries.
“**Instruments**”	The Notes and Securities.
“**IRAS**”	Inland Revenue Authority of Singapore.
“**Issuer**”	SATS Treasury Pte. Ltd..
“**ITA**”	Income Tax Act 1947 of Singapore, as amended or modified from time to time.
“**Latest Practicable Date**”	3 November 2023.
“**Listing Manual**”	The listing manual of the SGX-ST.
“**MAS**”	Monetary Authority of Singapore.
“**NAV**”	Net asset value.
“**Neptune Holdings 4**”	Neptune Holdings 4 B.V (formerly known as Promontoria Holding 264 B.V.).
“**Non-CDP Issuing and Paying Agent**”	The Bank of New York Mellon, London Branch as non-CDP issuing and paying agent under the Agency Agreement in respect of each Series of Instruments cleared other than through CDP, which expression shall include any successor non-CDP issuing and paying agent appointed in accordance with the Agency Agreement.
“**Non-CDP Registrar**”	The Bank of New York Mellon, Dublin Branch as non-CDP registrar under the Agency Agreement in respect of each Series of Registered Notes or Registered Securities cleared other than through CDP, which expression shall include any successor non-CDP registrar in relation to all or any Series of such Registered Notes or Registered Securities.
“**Noteholders**”	The holders of the Notes.
“**NTA**”	Net tangible assets.
“**Notes**”	The notes to be issued by the Issuer under the Programme.
“**OCBC**”	Oversea-Chinese Banking Corporation Limited.

"**Paying Agent**"	In relation to the Instruments of any Series, the several institutions (including where the context permits the Principal Paying Agent) at their respective specified offices initially appointed as paying agents in relation to such Instruments by the Issuer pursuant to the Agency Agreement and/or, if applicable, any successor paying agents in relation to such Instruments.
"**Pricing Supplement**"	In relation to a Tranche or Series, a pricing supplement, to be read in conjunction with this Offering Circular, specifying the relevant issue details in relation to such Tranche or Series, as the case may be.
"**Principal Paying Agent**"	The Bank of New York Mellon, Singapore Branch as principal paying agent and any successor principal paying agent appointed in accordance with the Agency Agreement.
"**Programme**"	The US$3,000,000,000 Multicurrency Debt Issuance Programme of the Issuer.
"**Registrar**"	In respect of CDP Instruments, the CDP Registrar and in respect of Instruments other than CDP Instruments, the Non-CDP Registrar, which expression each includes any successor registrar in such capacity.
"**Regulation S**"	Regulation S under the Securities Act.
"**SATS**", "**Guarantor**" or "**Company**"	SATS Ltd..
"**SATS International**"	SATS International SAS, an indirect wholly-owned Subsidiary of the Company.
"**Securityholders**"	The holders of the Securities.
"**Securities**"	The perpetual securities to be issued by the Issuer under the Programme.
"**Securities Act**"	U.S. Securities Act of 1933, as amended or modified from time to time.
"**Series**"	(1) (in relation to Instruments other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes other than variable rate notes) interest or (in the case of Securities) distribution and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.

"**SFA**"	The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time.
"**SGX-ST**"	The Singapore Exchange Securities Trading Limited.
"**SIA**"	Singapore Airlines Limited.
"**Singapore dollars**", "**SGD**" or "**S$**" and "**cents**"	The lawful currency of Singapore.
"**Singapore Supplemental Trust Deed**"	The Singapore law supplemental trust deed dated 17 November 2023 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, and (3) the Trustee, as amended, restated or supplemented from time to time.
"**SPA**"	The sale and purchase agreement dated 28 September 2022 entered into among the Company, SATS International, Promontoria 52 Coöperatie U.A. and certain management sellers to acquire all of the issued shares of Promontoria Holding 243 B.V. (now known as Neptune Holdings 1 B.V.).
"**Sterling**" or "**£**"	The lawful currency of the United Kingdom.
"**Subsidiary**" or "**Subsidiaries**"	A subsidiary within the meaning of Section 5 of the Companies Act.
"**Target**"	Neptune Holdings 1 B.V. (formerly known as Promontoria Holding 243 B.V.).
"**Tranche**"	Instruments which are identical in all respects (including as to listing).
"**Transfer Agent**"	In relation to all or any Series of Registered Notes or Registered Securities (other than Registered Notes or Registered Securities cleared through CDP), The Bank of New York Mellon SA/NV, Dublin Branch, which expression shall include any successor transfer agents at their respective specified offices in relation to all or any Series of Registered Notes or Registered Securities.
"**Trust Deed**"	The Trust Deed dated 17 November 2023 constituting the English law governed Instruments (as amended, restated or supplement from time to time) made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, and (3) the Trustee, as supplemented, in respect of Instruments specified to be governed by Singapore law in the applicable Pricing Supplement, by the Singapore Supplemental Trust Deed.
"**Trustee**"	The Bank of New York Mellon, London Branch.
"**UK**"	The United Kingdom.

“**United States**” or “**U.S.**” or “**USA**”	United States of America.
“**U.S. dollars**” or “**US$**”	The lawful currency of the United States of America.
“**WFS**”	WFS Global Holding SAS.
“**WFS Acquisition**”	Acquisition of all the issued shares of Neptune Holdings 1 B.V. (formerly known as Promontoria Holding 243 B.V.), a holding company which indirectly owns 100% of the shares in WFS.
“**WFS Group**”	Neptune Holdings 4 B.V. (formerly known as Promontoria Holding 264 B.V.) and its subsidiaries.
“**%**”	Per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Offering Circular shall be a reference to Singapore time unless otherwise stated. Any reference in this Offering Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Offering Circular shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

OVERVIEW OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Instruments, the applicable Pricing Supplement. Some of the terms described below are subject to important limitations and exceptions. The Issuer, the Guarantor and any relevant Dealer may agree that Instruments shall be issued in a form other than that contemplated in the Conditions, in which event, in the case of listed Instruments only and if appropriate, a supplemental Offering Circular will be published. Words and expressions defined in "Form of the Notes", "Form of the Securities", "Terms and Conditions of the Notes" and "Terms and Conditions of the Securities" shall have the same meanings in this summary.

Issuer:	SATS Treasury Pte. Ltd.
Guarantor:	SATS Ltd.
Legal Entity Identifier of the Issuer:	254900I8S3NS01XMTR57
Description:	Multicurrency Debt Issuance Programme
Guarantee:	The Guarantor will unconditionally and irrevocably guarantee (the "**Guarantee**") the due and punctual payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Instruments.
Size:	Up to U.S.$3,000,000,000 (or the equivalent in other currencies at the date of issue) in aggregate principal amount of Instruments outstanding at any time. The Issuer and the Guarantor may increase the aggregate principal amount of the Programme in accordance with the terms of the Dealer Agreement.
Joint Arrangers:	DBS Bank Ltd. Oversea-Chinese Banking Corporation Limited
Dealers:	DBS, OCBC, and any other Dealers appointed in accordance with the Dealer Agreement. The Issuer and the Guarantor may from time to time appoint dealers either in respect of one or more Tranches of Instruments or in respect of the whole Programme or terminate the appointment of any dealer under the Programme. References in this Offering Circular to "**Dealers**" are to the persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Dealers and all persons appointed as a dealer in respect of one or more Tranches (and whose appointment has not been terminated).

Certain Restrictions:	Each issue of Instruments denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Trustee:	The Bank of New York Mellon, London Branch
Principal Paying Agent, CDP Issuing and Paying Agent, CDP Calculation Agent, CDP Registrar and CDP Transfer Agent:	The Bank of New York Mellon, Singapore Branch
Non-CDP Issuing and Paying Agent and Non-CDP Calculation Agent:	The Bank of New York Mellon, London Branch
Non-CDP Registrar and Non-CDP Transfer Agent (in respect of Instruments to be cleared through Euroclear and Clearstream, Luxembourg):	The Bank of New York Mellon SA/NV, Dublin Branch
Distribution:	Instruments may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

	Instruments will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest or distribution, if any), the Instruments of each Series being intended to be interchangeable with all other Instruments of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific dates of each Tranche of the Instruments (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest or distribution and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the applicable Pricing Supplement.
Currencies:	Subject to any applicable legal or regulatory restrictions, Instruments may be denominated in Euro, Sterling, U.S. dollars, Singapore dollars, Renminbi and any other currency agreed between the Issuer and the relevant Dealer.
Maturities:	Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by any laws or regulations applicable to the Issuer or the relevant Specified Currency (as defined in the Conditions). Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem or purchase them in accordance with the Conditions of the Securities or as otherwise specified in the applicable Pricing Supplement.
Issue Price:	Instruments may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Instruments:	The Notes will be issued in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**") as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*. The Securities will be issued in bearer form ("**Bearer Securities**") or in registered form ("**Registered Securities**") as described in "*Form of the Securities*". Registered Securities will not be exchangeable for Bearer Securities and vice versa.

Denomination of Instruments:	Instruments will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note or Security will be such as may be allowed or required from time to time by the central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.
Listing:	Approval in-principle has been obtained from the SGX-ST in connection with the Programme and application will be made to the SGX-ST for permission to deal in, and for a quotation of, any Instruments that may be issued pursuant to the Programme and that are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST for the listing of the Instruments of any Series will be approved. Such permission will be granted when such Instruments have been admitted to the Official List of the SGX-ST. For so long as any Instruments are listed on the SGX-ST and the rules of the SGX-ST so require, such Instruments will be traded on the SGX-ST in a minimum board lot size of S$200,000 or its equivalent in other currencies. The Instruments may also be listed and/or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer in relation to each Series of Instruments. Series of Instruments which are unlisted and/or not admitted to trading on any market may also be issued pursuant to the Programme. The applicable Pricing Supplement will state whether or not the relevant Instruments are to be listed and/or admitted to trading, as the case may be, and, if so, on which stock exchange(s) and/or markets.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Instruments issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme and risks relating to the structure of a particular Series of Instruments issued under the Programme. All of these are set out under the section titled "*Risk Factors*".

Ratings:	The Programme has been assigned a rating of (P)A3 by Moody's. Tranches of Instruments may be rated or unrated. Where a Tranche of Instruments is to be rated, such rating will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision, reduction or withdrawal at any time by the assigning rating agency.
Clearing Systems:	Euroclear, Clearstream, Luxembourg, CDP and/or any other clearing system as specified in the applicable Pricing Supplement, see "*Form of the Notes*" or "*Form of the Securities*".
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Instruments in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong, Singapore and the People's Republic of China and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Instruments, see "*Subscription and Sale*".
United States Selling Restrictions:	Regulation S; TEFRA not applicable, as specified in the applicable Pricing Supplement.
NOTES	
Fixed Rate Notes:	Fixed interest will be payable on Fixed Rate Notes on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction (as defined in the Terms and Conditions of the Notes) as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (a) on the basis of a reference rate set out in the applicable Note Pricing Supplement; (b) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as defined in the Terms and Conditions of the Notes) or the 2021 ISDA Definitions (as defined in the Terms and Conditions of the Notes); or (c) on such other basis as may be agreed between the Issuer and the relevant Dealer.

	The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each series of Floating Rate Notes. Floating Rate Notes may also have a Maximum Rate of Interest (as defined in the Terms and Conditions of the Notes) or a Minimum Rate of Interest (as defined in the Terms and Conditions of the Notes) or both.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Other Notes:	The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Conditions of the Notes, in which event the relevant provisions will be included in the applicable Note Pricing Supplement.
Redemption of Notes:	The applicable Note Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons (as described in Condition 9(b) of the Notes), following an Event of Default (as defined in Condition 13 of the Notes) or following a Cessation or Suspension of Trading Event (as described in Condition 9(f) of the Notes)) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Paying Agent, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer, or (in the case of a minimal outstanding amount of the Notes) as provided in Condition 9(g) of the Notes. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.
Redemption for Tax Reasons:	The Notes may be redeemed at the option of the Issuer in whole, but not in part, by giving not less than 15 nor more than 30 days' notice to the Noteholders or such other period(s) as may be specified in the applicable Note Pricing Supplement, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to (but excluding) the date fixed for redemption, as further described in Condition 9(b) (*Redemption for tax reasons*).

Redemption upon Cessation or Suspension of Trading Event:	At any time following the occurrence of a Cessation or Suspension of Trading Event, the holder of any Note will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of that holder's Notes on the Cessation or Suspension of Trading Put Date at a price equal to the Early Redemption Amount (Cessation or Suspension of Trading Event), together with interest accrued (if any) to (but excluding) the Cessation or Suspension of Trading Put Date, as further described in Condition 9(f) (*Redemption upon Cessation or Suspension of Trading Event*). A "**Cessation or Suspension of Trading Event**" means, in respect of the shares of the Guarantor, the occurrence of one or more of the following events: (a) the shares of the Guarantor cease to be traded on the SGX-ST; or (b) trading in the shares of the Guarantor on the SGX-ST is suspended for a continuous period of more than seven Exchange Business Days.
Taxation:	All payments of principal and interest in respect of the Notes and the Coupons (each as defined in the Terms and Conditions of the Notes) by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore or any political subdivision therein or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall, save in certain limited circumstances provided in Condition 12 of the Notes, pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 5(a) of the Notes.
Rating Maintenance:	The terms of the Notes will contain a rating maintenance provision as further described in Condition 5(b) of the Notes.
Events of Default of the Notes:	The terms of the Notes will contain certain events of default, including a cross default provision and a cross acceleration provision, as further described in Condition 13 of the Notes.

Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to Condition 5(a) (*Covenants – Negative Pledge*) of the Notes) unsecured obligations of the Issuer which will at all times rank *pari passu* and without any preference or priority among themselves and at least *pari passu* with all other present and future unconditional, unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Governing Law:	The Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Notes and the Coupons are governed by, and construed in accordance with, English law or Singapore law, as specified in the applicable Note Pricing Supplement.

SECURITIES

Fixed Rate Securities:	Fixed distributions will be payable on Fixed Rate Securities on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction (as defined in the Terms and Conditions of the Securities) as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Securities:	Floating Rate Securities will confer a right to receive distributions, in each case at a rate determined: (a) on the basis of a reference rate set out in the applicable Security Pricing Supplement; (b) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined in the Terms and Conditions of the Securities); or (c) on such other basis as may be agreed between the Issuer and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each series of Floating Rate Securities. Floating Rate Securities may also have a Maximum Rate of Distribution (as defined in the Terms and Conditions of the Securities), a Minimum Rate of Distribution (as defined in the Terms and Conditions of the Securities), or both.

Other Securities:	The Issuer may agree with any Dealer and the Trustee that Securities may be issued in a form not contemplated by the Conditions of the Securities, in which event the relevant provisions will be included in the applicable Security Pricing Supplement.
Optional Deferral of Distributions:	The applicable Security Pricing Supplement will specify whether the Issuer may, at its sole discretion, elect to defer, in whole or in part, any Distribution (including any Arrears of Distribution (as defined in Condition 5(d)(iv) of the Securities) and any Additional Distribution Amount (as defined in Condition 5(d)(iv) of the Securities)) which is otherwise scheduled to be paid on a Distribution Payment Date (as defined in the Terms and Conditions of the Securities) to the next Distribution Payment Date by giving an Optional Distribution Deferral Notice (as defined in Condition 5(d)(i) of the Securities) to the Securityholders not more than 45 nor less than five Business Days (as defined in the Terms and Conditions of the Securities) (or such other notice period as may be specified in the applicable Security Pricing Supplement) prior to a scheduled Distribution Payment Date. If Dividend Pusher is set out in the applicable Security Pricing Supplement, the Issuer may not elect to defer any distributions if, during such period(s) prior to such Distribution Payment Date as may be specified in the applicable Security Pricing Supplement, a Compulsory Distribution Payment Event (as defined in the Terms and Conditions of the Securities) has occurred.
Cumulative Deferral of Distributions:	The applicable Security Pricing Supplement will specify whether the Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 5(d)(iv) of the Securities) further defer any Arrears of Distribution by complying with the notice requirements applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution may be deferred pursuant to Condition 5(d) of the Securities except that Condition 5(d)(iv) of the Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Non-Cumulative Deferral of Distributions; Optional Distribution:	If Non-Cumulative Deferral is specified as being applicable in the applicable Security Pricing Supplement, any Distribution deferred pursuant to Condition 5(d) of the Securities is non-cumulative and will not accrue Distribution. The Issuer is not under any obligation to pay any Distribution or any other Distributions that have not been paid in whole or in part. If Optional Distribution is specified as being applicable in the applicable Security Pricing Supplement, the Issuer may, at its sole discretion, and at any time, elect to pay an optional amount equal to the amount of Distribution which is unpaid in whole or in part (an "**Optional Distribution**") at any time by giving notice of such election to the Securityholders (in accordance with Condition 16 of the Securities) and the Trustee and the Principal Paying Agent not more than 45 and not less than 30 Business Days (or such other notice period as may be specified in the applicable Security Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution on the payment date specified in such notice). Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the Securityholders or Couponholders of all outstanding Securities and the Coupons related to them on a *pro-rata* basis.
Restrictions in the case of Deferral:	If Dividend Stopper is specified as being applicable in the applicable Security Pricing Supplement, then if on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of Condition 5(d)(i) of the Securities, Issuer and the Guarantor shall not: (a) declare, pay or make any dividends, distributions or other payments on, and will procure that no dividend, distribution or other payment is declared, paid or made on any of its Junior Obligations (as defined in the Terms and Conditions of the Securities) and, in the case of Subordinated Securities, any of its Parity Obligations (as defined in the Terms and Conditions of the Securities) except on a *pro-rata* basis with the Securities; or (b) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Obligations and, in the case of Subordinated Securities, any of its Parity Obligations except on a *pro-rata* basis with the Securities,

in each case, other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group, (ii) as a result of the exchange or conversion of Parity Obligations for Junior Obligations and/or (iii) as otherwise specified in the applicable Security Pricing Supplement, unless and until (1) (if Cumulative Deferral is set out in the applicable Security Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distributions, (2) (if Non-Cumulative Deferral is set out in the applicable Security Pricing Supplement) if all outstanding Securities have been redeemed in full, the next scheduled Distribution has been paid in full or an Optional Distribution equal to the amount of Distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (3) the Issuer or the Guarantor is permitted to do so by an Extraordinary Resolution of the Securityholders. For the avoidance of doubt, nothing in Condition 5(d)(vi) of the Securities shall:

(I) restrict the ability of the Issuer's or the Guarantor's Subsidiaries to declare or pay any dividends, distributions or make any other payment to the Issuer; or

(II) (in the case of Subordinated Securities) restrict the Issuer or the Guarantor or any of their respective Subsidiaries from declaring or paying any dividend, distribution or making any other payment on or in respect of, redeeming, reducing, cancelling, buying back or acquiring for any consideration any instrument or security issued, entered into or guaranteed by the Issuer or the Guarantor or is expressed to rank, by its terms or by operation of law, senior to the Subordinated Securities and the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer or the Guarantor and/or, in the case of an instrument or security guaranteed by the Issuer or the Guarantor, the issuer thereof.

Redemption of Securities:	The applicable Security Pricing Supplement will specify the basis for calculating the redemption amounts payable and indicate the circumstances in which the relevant Securities may be redeemed, whether due to the occurrence of a Withholding Tax Event (in the circumstances described in Condition 6(b) of the Securities), at the option of the Issuer (in the circumstances described in Condition 6(c) of the Securities), upon the occurrence of a Capital Event (as defined in Condition 6(d) of the Securities), upon the occurrence of a Tax Deductibility Event (as defined in Condition 6(e) of the Securities), upon the occurrence of an Accounting Event (as defined in Condition 6(f) of the Securities), in the case of a minimal outstanding amount of Securities (in the circumstances described in Condition 6(g) of the Securities) or upon the occurrence of a Cessation or Suspension of Trading Event (as defined in Condition 6(h) of the Securities).
Taxation:	All payments of principal and Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore or any political subdivision therein or any authority therein or thereof having power to tax, unless such withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall, save in certain limited circumstances provided in Condition 9 of the Securities, pay such Additional Amounts (as defined in Condition 9 of the Securities) as will result in receipt by the Securityholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required. Where the Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Securities by or on behalf of the Issuer or the Guarantor may be subject to Singapore withholding tax, regardless of the underlying receipts from which the Distributions are made. In that event, neither the Issuer nor the Guarantor will pay any Additional Amounts in respect of any such withholding or deduction from payments in respect of the Securities for or on account of any such taxes or duties.

Enforcement Events:	There are no events of default under the Securities. The terms of the Securities will contain enforcement events as further described in Condition 10(c) of the Securities.
Status of the Senior Securities:	The Senior Securities constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer which will at all times rank *pari passu* and without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Status of the Subordinated Securities:	The Subordinated Securities constitute direct, unconditional, unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* and without any preference among themselves and with any Parity Obligations of the Issuer. The rights and claims of the Subordinated Securityholders are subordinated as provided in Condition 4(b) of the Securities (*Status of the Subordinated Securities*).
Subordination of the Subordinated Securities:	Subject to and to the extent permitted by the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up (as defined in the Terms and Conditions of the Securities) of the Issuer, the rights and claims of the Trustee and of the Securityholders to payment of principal of and distribution on the Subordinated Securities relating to them (and only such rights and claims) are expressly subordinated, junior to, and subject in right of payment to the prior payment in full of all, and the rights and claims of all Senior Creditors (as defined in the Terms and Conditions of the Securities) of the Issuer but at least *pari passu* with each other and with the rights and claims of any Parity Creditors of the Issuer (as defined in the Terms and Conditions of the Securities) or holders of Parity Obligations of the Issuer, and senior to the rights and claims of holders of Junior Obligations of the Issuer, unless otherwise specified in the applicable Security Pricing Supplement.

Set-off in relation to the Subordinated Securities:	Subject to applicable law, no Subordinated Securityholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Securities or Coupons relating to them. Each holder of Subordinated Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Securities or any Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Securities or any Coupons relating to them is discharged by set-off, such holder of Subordinated Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up, the liquidator or as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or its liquidators or, as appropriate administrator of the Issuer), and accordingly any such discharge shall be deemed not to have taken place.
Governing Law:	The Securities and the Coupons and any non-contractual obligations arising out of or in connection with the Securities and the Coupons are governed by, and construed in accordance with, English law or Singapore law, as specified in the applicable Security Pricing Supplement.

SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The following tables set out selected consolidated financial information for the Group as at and for the periods indicated.

The selected consolidated financial information of the Group as at and for the financial years ended 31 March 2021, 2022 and 2023 has been derived from the Group's audited consolidated financials for the financial years ended 31 March 2022 and 2023 respectively, which have been audited by KPMG LLP, and should be read in conjunction with the audited consolidated financial statements of the Group and the related notes thereto, which are included elsewhere in this Offering Circular.

*The selected consolidated financial information of the Group as at and for the six months ended 30 September 2022 and 2023 has been extracted from the Group's unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2023 (the "**6MFY2024 Unaudited Financial Statements**"), and should be read in conjunction with, and is qualified in its entirety by reference to, the 6MFY2024 Unaudited Financial Statements, which are included elsewhere in this Offering Circular. Investors should not rely on such unaudited consolidated financial statements to provide the same quality of information that audited financial information would provide.*

On 3 April 2023, the Group completed the acquisition of WFS. See "Description of the Group – Acquisition of Worldwide Flight Services" for more details. As a result, the period-to-period comparison of the Group's unaudited consolidated financial information for the six months ended 30 September 2022 and for the six months ended 30 September 2023 may not be meaningful. Caution should be exercised in using such comparisons as a basis for any investment decision or to predict the future performance of the Group.

Consolidated Income Statement of the Group (Financial years ended 31 March)

		Audited[1]		**Unaudited**[1]	**Unaudited**[2]
(in S$ million)	**FY2021**	**FY2022**	**FY2023**	**6MFY2023**	**6MFY2024**
REVENUE	970.0	1,176.8	1,758.3	804.5	2,480.6
EXPENDITURE					
Staff costs	(382.3)	(550.6)	(891.8)	(426.7)	(1,442.9)
Cost of raw materials	(269.8)	(311.1)	(336.4)	(157.7)	(178.6)
Licence fees	(19.9)	(16.3)	(56.4)	(18.2)	(44.9)
Depreciation and amortisation	(130.4)	(119.7)	(175.8)	(84.0)	(276.9)
Company premise and utilities expenses	(65.3)	(73.9)	(124.2)	(54.2)	(120.3)
Other costs	(112.4)	(147.8)	(221.8)	(106.0)	(341.3)
	(980.1)	(1,219.4)	(1,806.4)	(846.8)	(2,404.9)

(in S$ million)	FY2021	Audited[(1)] FY2022	FY2023	Unaudited[(1)] 6MFY2023	Unaudited[(2)] 6MFY2024
OPERATING (LOSS)/ PROFIT	(10.1)	(42.6)	(48.0)	(42.3)	75.7
Interest on borrowings	(20.5)	(17.1)	(18.6)	(10.7)	(120.0)
Interest income	4.8	3.3	9.9	3.1	6.0
Share of results of associates/joint ventures, net of tax	(48.0)	17.1	45.4	17.6	44.4
Other non-operating (loss)/gain, net	(71.7)	12.2	(32.5)	(15.9)	2.3
(LOSS)/PROFIT BEFORE TAXATION	(145.5)	(27.1)	(43.8)	(48.2)	8.4
Income tax credit/(expense)	36.2	31.4	5.2	7.6	(17.4)
(LOSS)/PROFIT	(109.3)	4.3	(38.6)	(40.6)	(9.0)
(Loss)/Profit attributable to:					
Owners of the Company	(78.9)	20.4	(26.5)	(32.5)	(7.8)
Non-controlling interests	(30.4)	(16.1)	(12.1)	(8.1)	(1.2)
	(109.3)	4.3	(38.6)	(40.6)	(9.0)
(Loss)/Earnings per share (cents)*					
Basic	(6.7)	1.8	(2.2)	(2.4)	(0.5)
Diluted	(6.6)	1.7	(2.2)	(2.4)	(0.5)

(1): Pre-WFS Acquisition

(2): Post-WFS Acquisition

* With the issuance of rights shares in March 2023, the comparative figures for the financial year ended 31 March 2022 and 2021 are restated per SFRS(I) 1-33 Earnings Per Share through retrospective application of a bonus factor to the average weighted number of shares.

Consolidated Statements of Financial Position of the Group

(in S$ million)	As at 31 March 2021	Audited[1] As at 31 March 2022	As at 31 March 2023	Unaudited[2] As at 30 September 2023
Equity attributable to owners of the Company				
Share capital	367.9	367.9	1,153.5	1,162.0
Treasury shares	(18.8)	(8.5)	(0.9)	(0.4)
Share-based compensation reserve	9.4	4.9	5.2	2.9
Foreign currency translation reserve	(150.2)	(119.5)	(168.5)	(166.2)
Revenue reserve	1,349.0	1,368.8	1,342.6	1,333.8
Other reserves	(11.0)	(11.0)	1.7	(4.0)
	1,546.3	1,602.6	2,333.6	2,328.1
Non-controlling interests	152.5	231.1	181.2	191.7
Total equity	1,698.8	1,833.7	2,514.8	2,519.8
Non-current assets				
Property, plant and equipment	519.7	589.6	579.2	789.7
Right-of-use assets	187.7	312.8	321.0	1,360.4
Investment properties	0.5	–	–	–
Intangible assets	410.7	553.2	527.1	3,510.7
Investment in associates	520.8	393.8	377.9	394.2
Investment in joint ventures	57.4	60.2	66.4	415.2
Long-term investments	14.5	14.6	14.3	14.5
Loan to associate/joint ventures	–	2.2	–	1.3
Deferred tax assets	34.3	57.4	55.6	94.7
Other non-current assets	23.5	12.5	9.4	54.9
	1,769.1	1,996.3	1,950.9	6,635.6
Current assets				
Trade and other receivables	291.5	387.8	481.0	1,144.7
Prepayments and deposits	20.1	36.7	20.6	80.8
Amounts due from associates/joint ventures	1.2	2.3	2.0	6.6
Loan to associates	–	–	2.1	2.2
Inventories	130.1	83.2	68.7	71.7
Cash and cash equivalents	879.8	786.0	374.4	515.9
Deposits with notary	–	–	1,774.0	–
	1,322.8	1,296.0	2,722.8	1,821.9

(in S$ million)	As at 31 March 2021	Audited[1] As at 31 March 2022	As at 31 March 2023	Unaudited[2] As at 30 September 2023
Current liabilities				
Trade and other payables	358.5	457.9	522.4	1,281.2
Amounts due to associates/joint ventures	11.4	11.4	11.6	11.5
Income tax payable	36.0	18.2	18.3	50.8
Notes and borrowings	143.3	101.7	13.0	130.5
Lease liabilities	16.0	41.4	41.1	261.7
	565.3	630.6	606.4	1,735.7
Net current assets	757.5	665.4	2,116.4	86.2
Non-current liabilities				
Deferred tax liabilities	68.7	90.4	88.3	251.3
Notes and borrowings	534.9	409.1	1,133.5	2,648.3
Lease liabilities	179.2	285.7	290.8	1,132.8
Other payables	45.0	42.8	39.9	169.6
	827.7	828.0	1,552.5	4,202.0
Net assets	1,698.8	1,833.7	2,514.8	2,519.8

(1): Pre-WFS Acquisition

(2): Post-WFS Acquisition

RISK FACTORS

Each of the Issuer and the Guarantor believes that the following risk factors are material to prospective investors in making an informed judgement on the Instruments issued under the Programme and may affect their ability to fulfil their obligations under Instruments issued under the Programme. Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Instruments issued under the Programme, but the inability of the Issuer to pay interest, distributions, principal or other amounts on or in connection with any Instruments may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to them or which they may not currently be able to anticipate.

In addition, factors which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme and risks relating to the Group's business are also described below. The Group may be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial or is unable to anticipate, which could affect its operations, possibly materially. If any of the following risks and uncertainties develops into actual events, the business, financial conditions or results of operations of the Group could be materially and adversely affected.

Prospective investors should carefully consider and evaluate each of the following risks and all other information contained in this Offering Circular before making an investment decision.

This Offering Circular contains forward-looking statements relating to events that involve risks and uncertainties. See the section titled "Cautionary Note Statement Regarding Forward-Looking Statements" of this Offering Circular.

RISKS RELATING TO THE GROUP

Recent and future acquisitions may result in significant transaction expenses and integration risks.

The Group has historically expanded its business through organic and external growth, most recently through its acquisition of WFS. The Group plans to continue this strategy by selectively identifying acquisition candidates. However, the Group cannot assure that it will be able to identify attractive acquisition candidates or complete the acquisition of any identified candidates at favourable prices and upon advantageous terms. The Group expects to face competition for acquisition candidates, which may limit the number of acquisition opportunities and lead to higher acquisition costs. The Group may not have the financial resources necessary to consummate any acquisitions or the ability to obtain the necessary funds on satisfactory terms. Furthermore, general economic conditions or unfavourable global capital and credit markets could affect the timing and extent to which the Group successfully acquires new businesses.

Risks associated with acquisitions, which could materially adversely affect the Group's business, cash flows, financial condition and results of operations, include the following:

- the Group may lose sales and incur substantial costs, delays or other operational or financial problems in integrating acquired businesses, and integration may take longer than expected;
- the Group may not achieve financial and operational synergies on a timely basis, if at all;

- acquisitions may divert the Group management's attention from the operation of existing businesses;

- the assumptions underlying the business plans supporting the valuations may prove inaccurate, in particular with respect to the future performance of the acquired businesses;

- the Group may be forced to divest or reduce the scope of certain businesses so as to obtain the necessary regulatory authorisations, in particular with respect to antitrust authorisations;

- the Group may need to write down goodwill and certain other intangible assets from its balance sheet if its initial estimates of the value of an acquired business are higher than actual results;

- the Group may not be able to retain key personnel;

- the Group may not be able to retain key customer contracts of acquired businesses;

- the Group may encounter unanticipated events, circumstances or legal liabilities related to the acquired businesses; and

- the Group may be exposed to increased competition for its business in new geographic regions.

In the short-term, the disruptive effects of an acquisition can result in lower employee productivity and an increase in the efforts of competitors to lure away customers, which may cause a drop in revenue from the acquired business. In the longer term, there can be no assurance that, following integration into the Group, an acquired business will be able to maintain its customer base consistent with expectations or generate the expected margins or cash flows. Although the Group thoroughly analyses each acquisition target, its assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations. In addition, the Group may have difficulty implementing its business model within an acquired company due to various factors, including corporate culture. The Group's assessments of, and assumptions regarding, acquisition targets may prove to be incorrect, and actual developments may differ significantly from its expectations.

Furthermore, acquisitions of companies expose the Group to the risk of unforeseen obligations with respect to employees, customers, suppliers and subcontractors of acquired businesses, public authorities and other parties. Although the Group engages in diligence while analysing an acquisition opportunity, it cannot ensure that there will not be unexpected risks, liabilities or obligations that could have a material adverse effect on its cash flows, financial condition and results of operations.

The Group's ability to manage its growth and integrate operations, technologies, services and personnel depends on its administrative, financial and operational controls and its ability to create the infrastructure necessary to exploit market opportunities, as well as its financial resources. In order to compete effectively and to grow the Group's business profitably, the Group will need, on a timely basis, to maintain and improve its financial and management controls, reporting systems and procedures, implement new systems as necessary, attract and retain adequate management personnel, and hire, retain and train a highly qualified workforce. Furthermore, the Group expects that as it continues to enter new markets, it will be required to manage an increasing number of relationships with various customers and other third parties (offset to some degree by airline consolidation). The failure or delay of the Group's management in responding to these challenges could have a material adverse effect on its cash flows, financial condition and results of operations.

Following the completion of the WFS Acquisition, the Group is exposed to acquisition and integration risks relating to the WFS Acquisition. Given the scale and transformational nature of the WFS Acquisition, the successful integration of the WFS Group within the Group is crucial to allow the combined group to capture the material benefits of the financial and operational synergies on a timely basis. An integration committee has been spearheaded by senior management from both the Group and the WFS Group, and has been tasked with, among other things, managing the organisational changes arising from the change of control of the WFS Group, encompassing operational aspects of the combined Group including company culture, internal processes, underlying technology or infrastructure, corporate hierarchy and other operational aspects that may be impacted by the WFS Acquisition. The Group is implementing plans to share mutual best practices to unlock operational excellence opportunities through the WFS Acquisition, with the aim of fostering and driving commonality within the diverse communities and workforce in the countries where the combined Group operates. In the event that the organisational changes arising from the change in control of the WFS Group are not agreed and successfully managed, the Group may not be able to fully and materially capture the benefits of the commercial and operational synergies identified from the WFS Acquisition.

In particular, the following are some of the key areas of integration which are still ongoing:

- <u>*Cyber defence, information technology, digital and data alignment between systems*</u>

  The WFS Acquisition will raise the global profile of the Group and could attract heightened attention from hackers and other parties presenting risks to cyber security. While both group entities have existing cybersecurity measures and response measures in place respectively, it cannot entirely mitigate this risk. The combined Group is dependent on systems and technology to operate its business. If the combined Group does not conduct regular exercises for ensuring that the detection, controls, respond measures and disaster recovery procedures are sufficiently robust, it may not be able to manage disruptions to the business which may materially and adversely impact the business and operations of the Group.

  Further details on the combined Group's risks in relation to cybersecurity are set out in the risk factor titled "*The Group is dependent on its IT systems for the provision of services and is subject to disruptions in its IT systems, including cybersecurity attacks, which may be beyond the Group's control*" and "*The Group handles personal data including in the ordinary course of its business, and any failure to comply with applicable data protection laws or to maintain the confidentiality of that data could result in fines, legal liability for the Group and reputational harm to the Group's business*".

- <u>*Human resources and talent retention of senior professional managers and key management staff*</u>

  The successful implementation of the combined Group's strategies is also dependent on its ability to hire and retain a strong team of key management staff and experts, as well as a strong employer brand to attract new talent. The inability of the combined Group to hire and retain talent in critical positions may materially and adversely affect the combined Group's business, results of operations, financial condition and prospects. While the integration committee will continue to evaluate and adopt business continuity plans, long-term succession and retention plans for key management staff, the resignation of a member holding a significant appointment may affect the business and operation of WFS Group and, in turn, the combined Group's business and oblige us to quickly put in place an action plan to find a suitable solution.

Further details on how the inability to retain senior management affects the business of the Group (including the acquired WFS Group), are set out in the risk factor titled "*The Group's success and operations are dependent on hiring and retaining highly-trained personnel and senior management staff*".

- *Financial risk management*

  Furthermore, post-completion of the WFS Acquisition, the financial indebtedness and aggregate leverage of the Group has increased. Although the Group has refinanced the senior secured notes of the WFS Group at lower interest rates and aims to use its best efforts to deleverage quickly through cash flows generated by the Group, in the event of an economic downturn, the Group's businesses may be affected and have a materially adverse effect on the combined Group's ability to satisfy its debts within prescribed timeframes. Accordingly, the Group may remain in an elevated debt position for a longer time than envisaged.

  Further details on the combined Group's financial management risks, specifically in relation to foreign exchange rate fluctuations, are set out in the risk factor titled "*The Group is exposed to foreign exchange rate fluctuations and foreign exchange translation risks*".

  Further details on the combined Group's financial management risks, specifically in relation to tax risks, are set out in the risk factor titled "*The Group is subject to tax risks*".

- *Financial reporting to meet SGX-ST requirements*

  The financial information of the WFS Group is prepared in accordance with French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies. The financial statements of the Group are prepared in accordance with SFRS(I). The adoption of SFRS(I) to the financial information of the WFS Group, including but not limited to SFRS(I) 16 *Leases*, SFRS(I) 1-28 *Investment in Associates and Joint Ventures*, SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates*, and SFRS(I) 9 *Financial Instruments* (only with regard to recognition of on-balance sheet of recourse factoring arrangements), for the preparation of consolidated financial statements of the Group following completion of the WFS Acquisition may require substantial adjustments to be made to the results of operations and the financial position of the Group. These adjustments made upon SFRS(I) adoption by WFS Group may have a material and adverse impact on the results of operations and financial position of the Group.

- *Customer relations and joint ventures*

  Both the Group (pre-WFS Acquisition) and the WFS Group have each forged strong reputations and established their respective brands in the existing markets in which their businesses operate. While integration planning efforts are ongoing to discuss (and implement) the maximisation of business opportunities to be pursued post-completion of the WFS Acquisition with existing and new customers of both groups, which may include cross-selling opportunities and building a stronger value proposition for customers, there is no assurance that the combined Group's efforts to maximise business opportunities with existing and new customers of both groups will be successful in fully capturing the operational and commercial synergies identified from the WFS Acquisition. There is also no assurance that post-acquisition both groups would be able to continue retaining their existing customers.

  Further details on the combined Group's risks in relation to its associates and joint ventures are set out in the risk factor titled "*The Group relies on its reputation, brand image and brand name for its business, and is exposed to inherent risk from its joint ventures and associates which the Group does not wholly control*".

As the full integration of the WFS Group with the rest of the Group is still an ongoing process, in the event that key areas of integration (such as those described above) are not successfully managed, the Group may not be able to fully and materially capture the benefits of the commercial and operational synergies identified from the WFS Acquisition, which, in turn, may also have a material adverse effect on the Group's business, cash flows, financial condition, results of operations, and prospects.

The Group may be reliant on certain key customers for some of its business segments

The Group generates a material portion of its revenue from certain key customers in some of its business segments. A reduction or elimination of demand for the Group's services by a key customer could thus have a material adverse effect on the Group's cash flows, financial conditions and results of operations.

For example, the Group maintains a strong and long-standing relationship with the SIA Group as its key customer, and currently derives a material portion of its business from the SIA Group. Since the SIA Group's divestment of the Group in 2009, the Group has successfully renewed handling and in-flight catering contracts with the SIA Group and expects that the renewal of contracts with SIA Group will continue to account for a substantial portion of its airline revenue in the foreseeable future.

As a result, the growth of the Group's revenue will be impacted by the number of flights operated by the SIA Group, the number of passengers the SIA Group services, the volume of airfreight the SIA Group carries and the fleet of aircraft used by the SIA Group for its flights in and out of Singapore Changi Airport. In the event the SIA Group decreases its flights or if there is a significant reduction in the number of passengers carried or the amount of airfreight carried by the SIA Group or there is a downgauge of the aircrafts that the SIA Group uses, the Group's business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, the Group cannot provide assurance that its revenue generated from the SIA Group will reach or exceed historical levels in any future period. Loss, reduction or cancellation of business from, decreases in the rates it charges for its services to, or changes in the scope of services provided to, the SIA Group could have an adverse impact on the Group. Any deterioration in the relationship between the Group and the SIA Group may also have an impact on some or all the contracts executed between the Group and the SIA Group which, in turn, may have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

Similarly, the Group's ability to expand its aviation related business in Singapore depends primarily on the growth of airfreight and passenger traffic at Singapore Changi Airport. Any decrease in airfreight or passenger traffic at Singapore Changi Airport could have a material and adverse effect on its business, results of operations, financial condition and prospects.

The Group may not be successful in obtaining new licenses, certifications, and leases, or renewing or retaining existing licenses, certifications and leases which are required for the conduct of its business at various airports

The Group operates certain of its business segments under licences granted by relevant authorities or statutory bodies in the jurisdictions in which it operates and in some instances the operators of various airports. For example, its ground handling and airline catering business at Singapore Changi Airport are operated under licences granted by CAG, the operator of Singapore Changi Airport. The Group has been able to renew its licences at Singapore Changi Airport since its inception in 1972. If it were to lose its existing licences in any jurisdiction (such as its licences from CAG in respect of Singapore Changi Airport), it would be unable to provide its ground handling and airline catering services for its customers in respect of that jurisdiction and its business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, if it were to fail to comply with the performance standards required by such authorities or statutory bodies over an extended period of time, its reputation could be harmed and it could lose existing customers or fail to attract new customers and, as a result, its business, results of operations, financial condition and prospects could be materially and adversely affected or its licences from such authorities or statutory bodies could be revoked.

Applicable law and certain of the Group's customers also require the Group to obtain and maintain certifications from internationally recognised organisations. The Group may also obtain such certifications on a voluntary basis because the terms of public tenders confer advantages on bidders who are so certified. The Group may incur significant expenses to maintain these certifications, including training and upgrades to its fixed assets. If it fails to maintain any such certifications, customers that prefer or require them may terminate existing contracts or fail to award new contracts, which in turn could have a material adverse effect on the Group's cash flows, financial condition and results of operations.

The Group also manages cargo warehouse space and land that are leased to it. Such land may be leased under concessions granted by local civil aviation authorities or operators of various airports and lease facilities, such as warehouses, necessary for the Group to conduct its businesses.

If the Group is unable to maintain or renew its existing licenses, certifications, concessions or leases or obtain new licenses, certifications, concessions or leases from those authorities or operators on acceptable terms or where these licences, certifications, concessions or leases are earlier terminated as a consequence of arbitrary assessments, unilateral action and/or irregular decisions by regulatory/governmental authorities, industry standards-setting bodies, lease or licence operators and/or landlords, the Group may be unable to provide services to its customers at those airports and the Group's cash flows, financial condition and results of operations could be adversely affected. Even if the Group is successful in obtaining, maintaining or renewing a license, certification, or concession, the Group may not achieve the results expected from its operations under such license, certification or concession or that the results will remain consistent with past performance. In some cases, licenses or concessions may require the Group to make minimum payments to the aviation authority or airport even when the Group's activities there are unprofitable. In addition, the failure to comply with the business performance standards required by such authorities or operators over an extended period of time could result in reputational damage to the Group and the Group could lose existing customers or fail to attract new customers, resulting in the Group's cash flows, financial condition and results of operations being adversely affected or the Group's licenses or concession from such authorities or operators being revoked.

The Group faces a dynamic competitive landscape marked by intense competition from a variety of competitors and an inability to compete successfully with its competitors and adapt to changing market conditions could result in a loss in market share and decreased profitability

The Group faces competition from a variety of companies across each of its business lines and the Group's success is dependent upon its ability to demonstrate the quality and cost value of its services. Notwithstanding that the Group needs to maintain competitive rates, in light of inflationary pressures, the Group may have to increase its handling and in-flight catering rates. An upward increase in rates could result in customers switching to alternative service providers. If a significant number of the Group's existing airline clients or one or more of its larger airline clients were to begin purchasing these services from the Group's competitor or were to self-handle their operations, the Group will not be able to achieve the expected outcome from the upward adjustment of rates, and the Group's business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, the Group's airline clients may decrease as a result of airline consolidation. The airline industry has experienced significant airline consolidation in the last ten years, and this trend may continue. If any of the Group's clients consolidates with another airline, especially an airline that is not a client of the Group, the Group may lose that client's business. Similarly, if any of the Group's customers consolidates with another airline that offers services similar to that offered by the Group, such as cargo and ground handling, that client may no longer require the Group's services and the Group may lose that business. Airline consolidation could also reduce the number of overall flights as airlines eliminate redundant flight schedules and routes. Any of these occurrences could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In addition, Singapore Changi Airport faces competition from other international airports in Asia to the extent that passenger and freighter airlines use other international airports in Asia as an alternative to Singapore Changi Airport for passenger and freighter flights. If the level of competition was to increase significantly, the business, results of operations, financial condition and prospects of the Group in the domestic market could be materially and adversely affected.

Outside Singapore, the Group's cargo handling and ground handling and in-flight catering joint ventures and international Subsidiaries face varying levels of competition at the international airports at which they operate. The level of competition depends primarily on the number and size of the other airport services providers operating at that airport. At many of these international airports, the service market is highly competitive and the Group's joint venture enterprises and international Subsidiaries are competing against several other cargo handling, ground handling or in-flight catering operators. The decision to opt for an outsourced provider of cargo handling, ground handling or the other technical services that the Group provides is often based on the circumstances and strategic plans of a particular potential customer, which the Group cannot necessarily influence with its value propositions. If a significant number of the Group's existing customers, or one or more of the Group's larger customers, were to begin purchasing cargo handling or ground handling services from the Group's competitors or were to procure such services internally, the Group's cash flows, financial conditions and results of operations could be adversely affected. Changes in the civil aviation regulatory environment in the countries where the Group has joint ventures could also affect the operations and financial condition of these joint ventures and international Subsidiaries, and consequently, on the Group's overall business performance, results of operations and growth prospects.

In respect of the Group's Food Solutions business, the competition the Group faces ranges from small, local businesses to international companies with substantial financial resources, where the Group competes based on several factors, including the depth and breadth of its services, its ability to tailor the services that it offers to a client's particular needs and its ability to manage costs effectively. Whilst the Group maintains close relationships with its customers in order to constantly innovate the provision of its services, if the Group's customers do not prefer the quality and cost value of its services, or if there is insufficient demand for the Group's new services, the Group's business, results of operations, financial condition and prospects could be materially and adversely affected.

The Group's Food Solutions business also faces competition from non-traditional meal sources (e.g. frozen or ambient meal suppliers), which disrupt the traditional fresh cook-chill business model. The long shelf-life of these meals means that competition is no longer restricted by geographical location. If the Group is not able to compete effectively with these non-traditional meal sources, the Group's business, results of operations, financial condition and prospects could be materially and adversely affected.

Economic conditions, epidemics and other natural or man-made calamities and volatile consumer reactions can cause disruptions to the Group's business

The Group's Gateway Services business and in-flight catering business are largely dependent upon air travel consumption. As a result, the Group is likely to be adversely affected by any event or series of events that disrupts travel or causes a reduction in travel. The growth in demand for the Group's services generally correlates with economic conditions in each of the countries in which it operates, and as a result, the Group is susceptible to swings in revenue corresponding with economic cyclicality. The travel and leisure sector is particularly sensitive to economic factors beyond the Group's control. For example, high or rising oil prices may inhibit sales growth due to higher airline ticket prices caused by fuel surcharges, and a generally increased cost of living, restricting the disposal income of the Group's customers.

The travel sector is also subject to risks relating to travellers' perception of safety. The occurrence of any one of a number of events outside the Group's control such as terrorist attacks, hurricanes, ash clouds, and accidents may lead to a reduction in the number of air travellers on a global, regional or local level.

The outbreak of any contagious disease with human-to-human airborne or contact propagation effects (e.g. mutation of Avian Flu H5N1, Ebola, Middle East respiratory syndrome coronavirus, COVID-19 etc.) that escalates into a regional or global pandemic may have an adverse impact on all airlines and cruise lines which may operate to or from such affected areas/regions. Air and sea travel, and air and sea freight may be severely reduced even though international and national response plans to address such events have been developed or are in development.

Other natural calamities such as earthquakes, floods, volcanic eruptions or tsunamis may devastate destinations and significantly reduce travel to those areas for a period of time. Terrorism and war (and threats of terrorism and war) and civil/political strife may also contribute to a fear of travelling by air or sea, or visiting particular destinations, resulting in a sharp fall in demand for air and sea travel. The fall in demand for air travel may result in a reduction in the availability of passenger aircraft for air cargo transport. As global freight tonnage is generally split evenly between passenger aircraft and freighters, a fall in air travel caused by epidemics and calamities may materially and adversely impact the Group's cargo handling business and ground handling business. Epidemics and other natural or man-made calamities may also affect key trade routes, thereby affecting air and sea freight.

It is difficult to predict the duration and effects of an economic downturn or economic impact following an epidemic or calamity, which may be aggravated by volatility in the financial sector and the capital markets, leading to significant market-wide liquidity problems. A slowdown in the economy may negatively affect demand for air cargo and, therefore, the airfreight industry. Volatile and uncertain economic conditions have become the new 'normal' for businesses operating in the global market. In particular, the outbreak of COVID-19 since end-2019 triggered a global economic contraction, and caused a prolonged global economic recession as a consequence of continued widespread operational disruptions, which thereby adversely impacted the Group's revenues and results of operations. The Group continues to face supply chain constraints and manpower shortages of skilled workers as a result of post-COVID-19 recovery impact.

The occurrence of these events may also result in the closure or restriction of access to airspace or airports, and have negative impacts on the number of airline passengers and the health of the airline industry as a whole. Access to neighbouring regions via sea travel may also be curtailed. Further, any disruption to or suspension of services provided by airlines as a result of financial difficulties, labour disputes, construction work, increased security or otherwise, could negatively affect the number of air passengers. Given that the Group's Gateway Services business depends heavily on the availability of these facilities, its business, results of operations, financial condition and prospects could be materially and adversely affected by the occurrence of such events.

Should there be a reduction in travel and demand for air cargo as a result of any of the events described above, it is likely that the Group's Gateway Services business and in-flight catering business would be affected, which could in turn have a material and adverse impact on the Group's business, results of operations, financial condition and prospects.

In addition, if an airport where the Group carries out a significant portion of its business were shut down, were nationalised or experienced a catastrophic property loss as a result of terrorism, war, natural disaster, political instability or other events, the Group could face financial losses and a significant and potentially permanent disruption to its business. Even after the airport resumes operations, the Group may be unable to win back lost business or re-establish its market share in the affected region.

The Group's success and operations are dependent on hiring and retaining highly-trained personnel and senior management staff

The Group's business is labour intensive and requires highly trained personnel. The Group's ability to meet its labour requirements, whilst controlling wage and labour-related costs, may be subject to numerous external factors, including the availability of a sufficient number of suitable persons in the relevant work force, government regulations, prevailing wage rates, demographics and health and insurance costs.

The Group's success also depends, to a large degree, upon the continued service and skills of the Group's existing management team and the Group's regional senior managers, who play a key role in developing and maintaining the Group's customer relationships around the world.

If the Group is unable to hire additional employees to meet its requirements or to retain existing employees, or faces a significant increase in personnel turnover or the departure of members of the Group's senior management team whom the Group is unable to replace in a timely manner, its business, results of operations, financial condition and prospects could be materially and adversely affected.

The Group is subject to labour risks relating to labour disputes and its relations with unionised staff

The Group is subject to the risk of labour disputes, which may disrupt its operations. For example, labour laws applicable to the Group's business in certain countries, particularly France and Germany, are relatively rigorous. In numerous cases, labour laws provide for the strong protection of employees' interests. In addition, employees at certain airports are members of unions or, based on applicable regulations, represented by works councils or other bodies. In many cases, the Group must inform, consult with and request the consent or opinion of union representatives or works councils in managing, developing or restructuring certain aspects of its business. The Group's employees in certain countries also benefit from collective bargaining agreements, and it may not be able to periodically renegotiate collective agreements on acceptable terms. These agreements may in the future limit its ability to contain increases in labour costs and its ability to control its future labour costs depends on the outcome of its wage negotiations with its staff. Whilst the Group maintains a collaborative relationship between management staff and unions to ensure that the Group's strategy and objectives are met, if the Group's employee relations deteriorate, and there are labour disputes, it may have to incur significant costs to resolve such disputes, which could have a material and adverse effect on its business, results of operations, financial condition and prospects.

These labour laws and consultative procedures could also limit the Group's flexibility with respect to employment policy or economic reorganisation and could limit the Group's ability to respond to market changes efficiently. Even where consultative procedures are not mandatory, important strategic business decisions could be negatively received by some employees and employees' representative bodies, which could lead to labour actions that could disrupt the Group's business. Settlement of actual or threatened labour disputes, or an increase in the number of the Group's employees covered by collective bargaining agreements, may also adversely affect the Group's labour costs, productivity and flexibility.

Furthermore, the Group may, from time to time, be subject to employee, customer and other claims based on, among other things, mismanagement, unfair or unequal treatment, discrimination, harassment, violations of privacy and consumer credit laws, wrongful termination, and wage, rest break and meal break issues, including those relating to overtime compensation. If any of such claims were to be successful or if there is a significant increase in the number of such claims being brought against the Group, its business, results of operations and financial condition could be harmed. The Group's ability to manage its labour costs is primarily dependent upon provisions of collective bargaining agreements applicable to it. Any future labour law reforms, renegotiation of collective bargaining agreements with trade unions and other parties or new case law could hinder or significantly reduce the Group's ability to manage labour costs, which could have a material adverse effect on its cash flows, financial condition and results of operations.

For example, a putative class action suit was recently filed on 16 August 2023 against one of WFS Group's U.S.-based entities alleging a list of California Labor Code violations for, *inter alia*, overtime, sick leave, meal and rest periods, payment of final wages and wage statement requirements. The WFS Group deems that it is unlikely for the courts to certify a class and for the alleged claims to prevail, however, if in the event that all the alleged claims prevail and maximum damages are awarded, this could have a material adverse effect on the Group's cash flows, financial condition and results of operations.

The Group's operations may also be materially affected by strikes, work stoppages, employee litigation, work slowdowns or other labour-related developments in the future, which could disrupt the Group's operations and adversely affect its business, financial condition and results of operations. For example, the WFS Group (before the completion of its acquisition by the Group) had experienced strikes at certain of its locations, particularly in France, from time to time. In December 2022, there was a two-day strike at Société de Fret et de Services SAS, a subsidiary within the WFS Group, in France which arose following a request from four employees who made a claim for better working conditions. In addition, the Group's operations and services also rely heavily upon various aviation industry personnel who are not employed by the Group, and any labour strikes, work stoppages and other labour disputes involving them could have a negative impact on its operations. For example, in December 2022 in the UK, prior to the completion of the Group's WFS Acquisition, WFS was affected indirectly by a strike by ground handlers at Menzies Aviation. The strike resulted in one of its customers, Air China, deciding not to fly into London Heathrow over the period, and, although another customer, American Airlines, operated flights as normal, no cargo from American Airlines was flown into or out of London Heathrow in that period. In addition, air traffic controllers in French airports, have staged periodic strikes which have resulted in significant flight disruptions and cancellations, including a strike in December 2019 in a dispute over the retirement age. In Germany, the Verdi Union had also called strikes that have disrupted flights, including in January 2019. Pilots and flight crews could cause cancellations and delays by staging similar strikes.

More recently in Belgium, a spontaneous work interruption in Liege Airport occurred on 13 September 2023 following the communication of WFS Belgium N.V.'s intention to outsource operational ramp handling to a non-handler. After discussion with the unions, WFS Belgium N.V. halted its decision to outsource to a non-handler. In consideration, the unions agreed to keep a reduced ramp team with cross utilisation of resources and flexibility on working hours.

Such labour strikes, work stoppages and other labour disputes are beyond the Group's control and could have a material adverse effect on its cash flows, financial condition and results of operations.

The Group is partially reliant on foreign labour and outsourced labour

Changes in the labour policies of the countries in which the Group operates and/or those of the foreign workers' countries of origin may affect the supply and/or cost of foreign labour and cause disruption to the Group's operations, delays in the completion of projects and/or increase in project costs. The Group is susceptible to any increases in such levies and any sudden withdrawal in the supply of foreign workers which may negatively impact the Group's business, financial condition, prospects and results of operations. An increase in levies may increase the Group's labour costs, which may negatively affect its profitability. Similarly, an increase in levies may increase the labour costs of the Group's suppliers and this may affect their ability to supply the products or carry out the works for which they were contracted, thus delaying the completion of, or causing the failure to reach completion of, the Group's projects, resulting in additional costs for the Group or exposing the Group to the risk of liquidated damages.

The Group may also be adversely affected by changes in regulations or changes in application of regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Consequential restrictions on the supply of foreign labour may result in the Group having to explore alternative and more costly sources of labour for its projects. For example, in a bid to curb the spread of COVID-19, the Singapore government, like other governments of the countries in which the Group operates, imposed tighter border controls leading to a shortage of supply of foreign labour. If a similar event such as COVID-19 should occur again, to ensure that the Group can operate at capacity by replacing the loss of foreign labour, the Group's labour costs may increase at such time, and its business, financial condition, prospects and results of operations may be materially and adversely affected. Similarly, in the event that the foreign worker entitlement of the Group's suppliers is reduced, an inability to seek alternative sources of labour at the same or lower cost may affect their ability to supply the products or carry out the works for which they were contracted, thus delaying the completion of, or causing the failure to reach completion of, the Group's projects, resulting in additional costs for the Group or exposing the Group to the risk of liquidated damages.

As an alternative source of manpower, the Group may engage third-party service providers for certain job roles. Such third-party service providers may transfer their own increase in labour costs as a result of their own difficulties in procuring foreign labour or even affect their ability to carry out the work or services for which they are contracted, thus resulting in delays in the completion of the Group's projects or unsatisfactory performance of services. There can also be no assurance that the services rendered by third-party contractors will always be satisfactory or match the Group's targeted quality levels. All these factors could adversely affect the Group's reputation and hence the Group's performance.

The Group's business is subject to changes in global and regional macroeconomic conditions

The Group's business is subject to volatility in the global economy. Any adverse developments in the global economy could result in reduced demand for the Group's services, which would decrease the Group's revenue and its profits. These developments would likely have a material adverse effect on the Group's financial condition and results of operations and the Group's future prospects.

For example, in 2018, the United States and China each implemented tariffs on various goods, and the United States also implemented tariffs on steel and aluminium from a number of other countries, including the EU nations, Mexico, Canada and Turkey. China, the European Union, Mexico, Canada and Turkey then implemented retaliatory tariffs against U.S. products. While certain of these tariffs have been eased as a result of the Phase One Agreement between the U.S. and China in 2020 and bilateral agreements between the U.S. and other countries, overall tariffs covering U.S. trade remain materially higher than before 2018. The Group has significant operations in the EU and the United States. While the currently implemented tariffs generally do not cover items transported by air, an escalation of trade disputes may impact other products that are commonly transported by air. An increase in trade tensions, retaliatory measures and other trade barriers could reduce and disrupt the flow of international trade and adversely affect global markets more generally. The effect of such trade barrier escalations is unpredictable, and it is unclear how supply chains may change as a result of trade barriers and a reduction in trade volumes. Any trade disruptions may have a negative macroeconomic impact and result in trade volatility, which could have a material adverse effect on the Group's cash flows, financial condition and results of operations.

In addition, the economies of developing and emerging markets, such as the markets in which the Group operates or other markets in which the Group may operate in the future, may be more susceptible to global and regional economic volatility and adverse developments than more established markets and are subject to a range of micro and macroeconomic factors that can slow or reverse economic growth. The financial risks of operating in developing and emerging markets include risks of illiquidity, inflation, devaluation, price volatility, currency fluctuations and convertibility and country default, as well as other macroeconomic risks. Similarly, currency fluctuations could cause the Group's costs to increase.

Furthermore, in light of the current macroeconomic business environment, with many advanced economies raising interest rates to combat rising inflationary pressures, it is vital that the Group continues to maintain stable, liquid and well-functioning capital and credit markets standing to fund its future projects and development and to maintain its ability to make timely repayments of its debt obligations.

Global capital and credit markets have experienced significant volatility and disruption in recent years, resulting in decreased liquidity and making it more difficult for companies to access capital and credit markets. If market conditions deteriorate due to economic, financial, political, geo-political or other reasons, the Group's ability to obtain bank financing and access the capital markets may be adversely affected. The Group's business may be negatively affected if its suppliers or customers are unable to perform their contractual obligations with the Group due to tighter capital and credit markets or a slowdown in the general economy. Any or all of these developments could materially and adversely affect the Group's business, financial condition, results of operations and cash flows.

The Group's international operations may subject it to additional country and cross-border risks, and geopolitical headwinds

As at the Latest Practicable Date, the Group has a multinational business with a presence in over 210 locations and 27 countries across the Asia Pacific, United Kingdom, Europe, the Middle East, Africa and the Americas. The risk profile of the Group will therefore encompass the risks involved in each of these countries which include emerging market countries. Such risks include those relating to governance (such as laws, government regulations and policies and corruption), geopolitical tensions, infrastructure, political, economic and social stability as well as labour. The Group's businesses, performance and prospects may be adversely affected by any of such risks. For example, changes in laws, such as the imposition of restrictions on foreign ownership or repatriation of earnings, can have a negative effect on the ability of the Group to continue operations in these countries or its earning potential.

A global operational footprint will mean having to comply with a varied and extensive set of legislative and regulatory frameworks. Any occurrence of non-compliance with these laws may translate to penalties, fines and reputation damage to the Group and can materially and/or negatively impact the Group's business, results of operations, financial condition and prospects.

Political uncertainties, geopolitical disputes, social unrest and social upheaval (such as wars, riots, terrorist attacks and consequential government actions such as seizure of properties, suspension of trade, curtailment of freedom of movement) in any of the locations where the Group operates or plans to operate can severely disrupt the Group's business plans and affect its ability to execute, affect its ability to provide products and services for its customers in such countries and affect the ability of the Group's customers to meet their payment obligations to the Group, thereby increasing the cost of the Group's operations. For example, the recent escalation in the ongoing Israel-Hamas conflict has resulted in an increase in the geopolitical tensions in the region and may have adverse effects on the global economy, currency exchange rate, regional economies and, therefore, also the Group and its operations in the Middle East. All or any of such events could potentially impact the Group's earnings, results of operations, financial condition and prospects negatively.

The Group is exposed to the risk of incurring costs from damage caused to aircraft, airports or cargo and from injury to individuals

The Group operates within and around aircraft and airports. Despite the Group's key focus on safety through its establishment of robust operating safety protocols, it nevertheless faces the inherent risk that its employees may inadvertently damage aircraft or aircraft equipment, which could in turn lead to flight delays or possibly fatal accidents. For example, the unbalanced loading of cargo within an aircraft, improper de-icing of an aircraft or damage to an aircraft caused by its employees could lead to delays or accidents resulting in the loss of an aircraft or a loss of life. If the Group's employees mishandle cargo or baggage, or otherwise cause damage to equipment or facilities or cause injury to individuals in the course of carrying out their duties, the Group could be liable for that damage or injury. Any claim against the Group as a result of such an event could exceed the Group's insurance coverage, or fall outside its insurance coverage or could result in the cancellation of its insurance coverage. Moreover, the Group may be forced to bear substantial costs irrespective of insurance coverage. Any such accident could tarnish the Group's reputation, thus resulting in a significant, and possibly sustained, decline in demand for its services. Any of these events could have a material adverse effect on its business, cash flows, financial condition and results of operations.

In addition, some of the services the Group offers in its business put its employees and others in close proximity with heavy equipment, moving vehicles and combustible materials, as well as dangerous cargo and materials. Applicable law generally renders the Group responsible for the safety and well-being of its personnel and imposes a duty of care on the Group for third parties in close proximity. If the Group fails to implement safety procedures or if the procedures implemented are ineffective, its employees and third parties may be injured. Unsafe work sites also have the potential to increase employee turnover, increase the cost of service to the Group's customers and raise its operating costs. Many of the Group's customers require that it meets certain safety criteria to be eligible to bid for contracts. The introduction of new technology, procedures, services, tools and machinery may have unforeseen negative effects on the working conditions of its employees and may subject the Group to liability based on allegations of illness or injury resulting from exposure. Any of the foregoing could result in financial losses, which could have a material adverse effect on the Group's cash flows, financial condition and results of operations.

Further, the Group is also vulnerable to unsafe conduct of its customers. As a significant portion of the services provided by the Group are below-the-wing services, including apron services and air cargo processing, the Group's employees who work in these services areas are susceptible to the risk of poor aircraft conditions and customer compliance with safety procedures. If any of the Group's customers are not compliant with aircraft safety, the Group's employees will be at risk of injury, including fatal injury, or the Group may face delays in performing its services for other customers down the service chain.

The Group is exposed to risks associated with food safety, which may subject the Group to liability claims, damage the Group's reputation or affect the Group's relationship with its customers

The food preparation, manufacturing and processing operations of the Food Solutions business are subject to periodic checks by the relevant authorities, which may withdraw or suspend the manufacturing licence or activities, or impose penalties as a result of safety, health and hygiene issues. Further, the Group is particularly susceptible to harm arising from actual or perceived issues regarding the safety or quality of the food that it serves. In the event that the food materials or food products contain foreign materials, defects in the products or in the containers of the products, and these defects are caused by flaws in product design or process design and control, or by negligence, omission, wilful action or sabotage, the Group may be subject to lawsuits and product liability claims for any accidental death, bodily injury or illness to any person. Claims of illness or injury relating to contaminated, spoiled, mislabelled or adulterated food can also require costly measures to investigate and remediate, such as withdrawing or recalling products from sale or destroying supplies and inventory that are unfit for consumption. The occurrence of these events, or any withdrawal or suspension of any of the licences granted by the relevant authorities, may materially and adversely affect the Group's business, results of operations, financial condition and prospects.

The Group's in-flight catering and commercial catering businesses rely on strict adherence by employees to standards for food handling. Claims related to food quality or food handling are common in the food service industry and a number of these claims affecting the Group's in-flight catering and commercial catering businesses may exist at any given time. If the Group is found to be negligent in ensuring food safety, the Group could be exposed to significant liability, which could have a material and adverse impact on its business, results of operations, financial condition and prospects. Even if any such claims are without merit, any negative publicity that the Group receives as a result of allegations of unsafe food service can have a significant impact on its reputation and could negatively impact the Group's in-flight catering and commercial catering businesses.

In addition, the Group's in-flight catering and commercial catering businesses expose it to risks relating to the food industry generally, such as widespread contamination, nutritional and other health-related concerns. From time to time, food suppliers may be forced to recall products. This may result in the Group having to remove certain products from its inventory and source inventory from other providers, and adversely impact the Group's business and reputation. Such events can be highly disruptive to the Group's business.

If any of the above were to occur, it could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's Food Solutions business is reliant on key suppliers in certain niche markets and a disruption of their supply chain could materially and adversely affect the Group's business, results of operations, financial condition and prospects

The Group relies on its relationships with suppliers for both food and non-food items in the operation of its Food Solutions business. Although the Group obtains supplies from a range of sources, the Group is particularly reliant on a handful of key suppliers in certain markets in which it operates. If the Group were to lose the ability to purchase from such suppliers, it would be difficult to find substitute suppliers or to activate alternative suppliers in a timely fashion to fully meet the Group's supply needs. Consolidation among suppliers can further reduce the number of suppliers that the Group typically relies on and potentially increase their bargaining power, leading to less favourable purchasing terms. The Group's business and operations can also be significantly impacted by supplier disputes, late or non-delivery of products and failure by a supplier to meet its contractual obligations, any of which event can lead to knock-on effects on the Group's ability to fulfil its own obligations to its customers.

In addition, a number of factors beyond the Group's control and the control of the Group's suppliers can damage or disrupt the Group's supply chain. Such factors include adverse weather conditions or natural disasters, government action, fire, terrorism, the outbreak or escalation of armed hostilities, disease pandemics, industrial accidents or other occupational health and safety issues, labour actions or customs or import restrictions. If such events occur, they could materially and adversely affect the Group's business, results of operations, financial condition and prospects, as well as require additional resources to restore the Group's supply chain.

In addition, the Group may not be able to ensure that its suppliers maintain the quality and safety of the raw materials they supply to the Group which may in turn affect the quality of the Group's food products. Price fluctuations in imported raw materials may also have an impact on the margins of the manufactured goods of the Group's Food Solutions business. These in turn may materially and adversely affect the Group's business, results of operations, financial condition and prospects.

There may be disruptions in the Group's operations as a result of failure, inadequacies or obsolescence in its facilities, equipment, IT equipment and other assets which may not be adequately compensated by the Group's insurance

The Group's operations result in the normal wear and tear of its machinery. The Group's facilities, equipment, IT equipment and other assets may also break down. Consequently, the Group's machinery, facilities, equipment, IT equipment and other assets used in its operations require periodic downtime for repairs and maintenance, and may affect the Group's performance of services which are reliant on such machinery, facilities, equipment, IT equipment or other assets, or may even cause damage to aircraft or airport facilities.

If any extraordinary or extensive repairs to the Group's machinery, facilities, equipment, IT equipment or other assets are required due to any catastrophic event or otherwise, the Group's machinery, facilities, equipment, IT equipment or other assets would not be available for use or deployment. While insurance proceeds may cover the costs associated with such repairs, they would only compensate for the loss of use of some of the assets to a limited degree. In the event of any such extraordinary or extensive repairs, the Group's operations could experience major disruptions. The loss of its machinery, facilities, equipment, IT equipment or other assets or the inability to use its machinery, facilities, IT equipment or other assets may materially and adversely affect the Group's business, results of operations, financial condition and prospects.

The Group is dependent on its IT systems for the provision of services and is subject to disruptions in its IT systems, including cybersecurity attacks, which may be beyond the Group's control

The Group is dependent on its IT systems to operate its business and provide integrated services to its customers. The Group conducts regular checks on its IT systems to mitigate any foreseeable compromise to its IT systems. A significant portion of the communication between the Group's personnel, customers and suppliers depends on its IT systems and the Group depends on its IT systems to enable it to operate efficiently and to interface with customers. The Groups also collects and stores personal data of its customers and suppliers from time to time in the ordinary course of business. The provision of the Group's services thus depends on the stability of its IT systems. The Group's IT systems may be vulnerable to damages or interruptions in operation due to natural disasters, terrorist attacks, fires, power failures, telecommunications systems or other equipment failures, software failures, break-ins (whether physical or into its systems), compromises in internal controls, fraudulent activities, computer viruses, the failure of security measures or back-up systems, or other events beyond the Group's control. Despite the Group's implementation of cybersecurity measures, the Group may not detect or prevent all attempts to compromise its IT systems, including but not limited to distributed denial-of-service attacks, viruses, malicious software, phishing attacks, ransomware attacks or other attacks that could result in unauthorised access to its IT and other systems, misappropriation of information or data (including personal data), deletion or modification of client information, or a denial-of-service or other interruption to its business operations. While the Group has disaster recovery and business continuity plans in place, they may not necessarily be adequate, and any disruption in its IT systems may result in the loss of important data, increased costs, incur damages, or otherwise impact the Group's operations and customer service, and they may in turn materially and adversely affect its business including loss of reputation, results of operations, financial condition and prospects.

The Group relies on its reputation, brand image and brand name for its business, and is exposed to inherent risk from its joint ventures and associates which the Group does not wholly control

The Group's brand name and those with which it is associated have significant commercial value. The Group does not have total control over all of its joint ventures and associates. The Group is not able to ensure that a joint venture partner of the Group always fulfils its contractual obligations or maintains its creditworthiness, and it is also not able to control the change in ownership of its joint venture partners, all of which may materially and adversely affect the performance of the Group's joint venture entity and in turn materially and adversely affect the Group's reputation. Damage to these brand names and/or the Group's wider reputation could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects. For example, the Group relies on positive brand recognition to attract customers and investors. Any damage to the Group's reputation, brand image or brand name, and damage to other brands with which it is associated, whether through a single event or a series of events, could have a material and adverse effect on the Group's ability to market its services and attract and retain customers. Failure to manage reputational risk effectively could also materially and adversely affect the Group's business, results of operations, financial condition and prospects.

The Group's joint ventures may, from time to time, enter into obligations and incur liabilities in the course of its business activities. Such obligations and liabilities may continue notwithstanding the termination of, or disposal by the Group of its interest in, the joint venture. Disagreements may occur between the Group and a joint venture partner regarding the business and operations of the joint venture which may not be resolved amicably. In addition, a joint venture partner of the Group may (i) have economic or business interests or goals that are not aligned with those of the Group; (ii) take actions contrary to the Group's instructions, requests, policies or objectives; (iii) seek to transfer all or part of their interests to third parties; (iv) be unable or unwilling to fulfil their obligations; (v) have financial difficulties; or (vi) have disputes with the Group as to the scope of their responsibilities and obligations.

For example, although the Group owns 51% of WFS-PG Cargo Company Limited ("**WFS PG Cargo**"), the shareholders' agreement and bylaws of WFS PG Cargo require consent of the minority shareholder for many key decisions, including any transaction representing more than 10 million Thai baht (approximately €260,000) and payments of dividends. Although the Group believes relations with the minority shareholder of WFS PG Cargo are good, if it cannot obtain its consent for key decisions, its ability to carry out its activities in Thailand could be negatively impacted.

If a joint venture partner of the Group is unable to fulfil its contractual obligations or experiences a decline in creditworthiness, the performance of the Group's joint venture entity may be materially and adversely affected which in turn may materially and adversely affect the Group's business, results of operations, financial condition and prospects.

The Group may be adversely affected by fraud or other misconduct committed by its Subsidiaries, regional management, employees and external third parties

Fraud or other misconduct by employees (such as unauthorised business transactions and breaches of the Group's internal policies and procedures including its anti-bribery and anti-corruption policies) or third parties (such as breach of law) may be difficult to detect and prevent and could subject the Group to financial loss, loss of commercially sensitive data, sanctions imposed by governmental authorities and seriously harm the Group's reputation. The Group aims to mitigate this risk through the Group's risk management systems, IT systems, and internal control procedures which are designed to monitor the Group's operations and overall compliance. However, the Group may not be able to identify non-compliance matters in a timely manner or at all. Furthermore, it is not always possible to detect and prevent fraud or other misconduct and the precautions that the Group takes to prevent and detect such activities may not be effective. Consequently, there exists the risk that fraud or other misconduct may have previously occurred but remains undetected, or may occur in the future. This could materially and adversely affect the Group's business, results of operations, financial condition and prospects.

The Group also delegates considerable operational responsibility to its Subsidiaries. The Group believes that this has the advantage of allowing its management to remain close to clients and abreast of market developments, but the Group's decentralised model also exposes it to certain risks. For example, local, regional and national managers may not comply with the Group's internal policies, may not communicate information adequately to the Group's top management, may make unintentional accounting errors or may breach local and national regulations and legislation. Problems that occur may not be detected as readily or as quickly as they would be in a less decentralised organisation. In addition, the tender process for new contracts involves risks associated with fraud, bribery and corruption. Despite monitoring compliance with the Group's internal policies and updating such policies to comply with applicable legislation, it may nonetheless be unable to detect or prevent all instances of fraud, bribery and corruption involving its employees, agents or franchisees in the future, which could subject it to civil, administrative or criminal penalties as well as reputational damage. If any of these events were to occur, they could, individually or collectively, have a material adverse effect on the Group's cash flows, financial condition and results of operations.

The Group's operations are subject to evolving government laws, regulations and licensing requirements

Air transport and aircraft ground activities are subject to a high degree of regulation, notably with respect to maintenance, security and operating standards. Additional laws and regulations and tax increases (particularly, aeronautical, shipping and airport) could reduce the Group's revenue or increase its operating expenses. Authorities such as The Civil Aviation Authority of Singapore, the U.S. Federal Aviation Administration and the European Aviation Safety Agency, from time to time, issue directives and other regulations relating to the management, maintenance and operation of aircraft and facilities. For example, the Group is required to comply with security directives of the U.S. Transportation Security Administration (the "**TSA**") in relation to its U.S. business, and from time to time the Group may be required to make additional capital expenditure to invest in security infrastructure and equipment. As a result of historical cargo screening noncompliance at U.S. airports (predominantly by CAS prior to its acquisition by WFS, and prior to the Group's acquisition of WFS), WFS entered into a settlement agreement (which expired on 30 April 2020) with the TSA requiring WFS to implement a programme that significantly strengthened its security-related organisation, resources and processes. Any future instances of non-compliance with relevant TSA directives may subject the Group to future settlement agreements, which may cause the Group to incur substantial expenditure. If the Group fails to abide by the terms of any settlement agreement or otherwise breach regulations, the costs of any fines, programmes or other remedial measures could be significantly higher and could have a material adverse effect on the Group's cash flows, financial condition or results of operations.

The Group is also subject to certain other regulatory regimes applicable in the jurisdictions where it operates, including those applying to export controls, as well as requirements set by regulators. From time to time, the Group may also receive complaints from agencies related to safety matters. The Group also relies on its employees, directors, officers, managers and their agents to comply with and implement programs implicated in such regulations and complaints. Compliance with those requirements may cause the Group to incur significant expenditures, and non-compliance may lead to enforcement actions or fines, which could be material. In addition, the ability of carriers to operate international routes depends in most cases on bilateral agreements between governments. As such, changes to laws or regulations could have a negative impact on the Group's activity and may adversely affect its cash flows, financial condition and results of operations. For example, the global responses to terrorist threats have resulted in a proliferation of cargo security regulations which have created a marked difference in the security arrangements required to move shipments around the globe. Such regulations may also become more stringent in the future.

The Group is also exposed to the risks of other general regulatory and compliance proceedings in the jurisdictions in which it operates. Safety, personal data protection, trade sanctions, anti-bribery, anti-trust and other regulations impose significant requirements and compliance costs on the Group's business. Governments across the world have also become more active in regulatory intervention on issues ranging from anti-corruption, anti-trust to consumer welfare. Changes in such regulations, or the administration of such regulations can significantly increase compliance costs and restrict market access. In some instances, governments may adopt restrictive policies with respect to the issuance of certain permits and approvals or the way business is conducted. The Group's facilities are subject to inspection at any time, and even allegations of non-compliance with regulations can result in lengthy and costly investigations. Such regulations in the jurisdictions which the Group operates have tended to become broader and stricter over time, and enforcement has become more stringent. If regulations in the countries in which the Group operates are strengthened in the future, the extent and timing of investments required to maintain compliance may differ from the Group's internal planning and may limit the availability of funding for other investments. In addition, if the costs of regulatory compliance continue to increase and it is not possible for the Group to integrate these additional costs into the price of its services, any such changes could reduce the Group's profitability. Changes in regulations or evolving interpretations thereof may result in increased compliance costs, capital expenditures and other financial obligations which could affect the Group's profitability.

In addition, such laws and regulations may be ambiguous and their interpretations and applications may potentially be detrimental to the Group. Differences in regulations across the various jurisdictions in which the Group has operations may also risk the Group not being fully compliant with all the applicable regulations in a particular jurisdiction. In the event that the Group does not fully comply with such laws and regulations in the conduct of its business or operations, there can be no assurance that any such non-compliance would not have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

Finally, the ability of carriers to operate international routes depends in most cases on bilateral agreements between governments, as well as on local laws and regulations. Changes to such agreements or laws and regulations could have a negative impact on the Group's activity by, for example, resulting in the decommissioning of existing routes or imposing limitations on the volume of business the Group can conduct, thus adversely affecting its cash flows financial condition and results of operations.

The Group may not be sufficiently responsive to environmental and safety regulations and risks

The Group and its operations are subject to international and local environmental protection and safety laws, regulations and risks. Such regulations include those governing the discharge of pollutants into the air or water, the uses, transport, storage, processing, discharge, management and disposal of hazardous substances and waste and the responsibility to investigate and clean up contaminated sites that are or were owned, leased, operated or used by the Group or its predecessors. For example, in the Group's Gateway Services operations, environmental damage can occur due to spills or releases of harmful or hazardous substances, including aviation fuel or other oil products, which could contaminate real estate owned by the Group or by third parties, or pollute waterways or groundwater. This is particularly applicable with regard to the facilities where hazardous substances are used, transported, stored, processed, discharged, managed and disposed, as well as the other facilities and storage areas used by the Group. Such contamination or pollution could result not only in possible fines or other public law sanctions but also in considerable costs for removal, restoration and disposal as well as further liability risks. Some of the environmental protection laws and regulations which the Group may be subject to may also require the Group to obtain permits, which can contain terms and conditions that impose limitations on its ability to emit and discharge hazardous materials into the environment and may be subject to periodical modification, renewal and revocation by issuing authorities.

Environmental protection laws and regulations may also have the effect of indirectly having an adverse impact on the Group's business, financial performance and financial condition. For example, the airline industry is a highly regulated industry that may require significant costs to be incurred in meeting existing and new regulations and policies. Safety, environmental and similar regulations impose significant requirements and compliance costs on the Group's airline clients. Changes in regulations and policies relating to the airline industry, or the administration of such regulations and policies, could have an adverse impact on the Group's airline customers' business by increasing costs. When the Group's airline customers experience an increase in cost, there would be less leeway for the Group to negotiate more favourable handling rates with these airline customers, thereby adversely affecting the Group's ability to pass on any of its costs to be borne by such airline customers, and consequently affecting the Group's ability to be responsive to its own increase in costs arising from increasing compliance cost or even just inflation. The Group also faces risks in the form of potential increase in compliance costs, for example, in relation to regulations or customers'/contractual requirements to use certain biofuel or employ electric variants of vehicles used in the Group's operations. The Group may face potential loss of business or relevant licenses if such regulations are not complied with, and in turn, this may have an adverse impact on the Group's business, results of operations, financial condition and prospects.

The Group is also subject to a variety of laws and governmental regulations in Singapore and overseas relating to the use, discharge and disposal of waste materials produced by its Food Solutions business. Such laws and regulations are becoming increasingly complex and stringent and compliance may become increasingly difficult and costly. While the Group believes that it is currently in compliance in all material respects with these laws and regulations, if it fails to dispose of these waste materials appropriately, it could be subject to liability or could be required to suspend or modify operations relating to its Food Solutions business. Presently, the Group has insurance coverage in place to mitigate the financial exposure to such risks which the Group believes to be adequate. Nonetheless, there is no assurance that any losses arising from non-compliance will be fully recoverable thereunder and also no assurance that any renewals of policy coverage can be concluded on similar or more favourable terms. Furthermore, some of these environmental laws and regulations may expose the Group to liability for the conduct of or conditions caused by others including airport infrastructure, or for its own acts, even if such acts had complied with all applicable laws at the time of performance. For instance, the Group may be required to pay significant fines and penalties for non-compliance.

All in all, any failure by the Group to comply with applicable environmental laws, regulations, or permits could result in civil or criminal fines, penalties, enforcement actions, third-party claims for property damage and personal injury, requirements to clean up property or to pay for the costs of clean-up or regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures. If applicable environmental laws and regulations, or the interpretation or enforcement thereof, become more stringent in the future, the Group could also incur capital or operating costs beyond those currently anticipated, thereby adversely affecting the Group's business, results of operations, financial condition and prospects.

The Group may inadvertently not have sufficient insurance coverage for its operations

The Group maintains different insurance policies covering all foreseeable risks in the various aspects of its business to mitigate the risk of having to pay out of pocket costs in the event of unforeseeable situation in the course of business. However, there is no assurance that such insurance can be obtained on commercially reasonable terms or at all, or that any such coverage will sufficiently cover any losses suffered by the Group. The Group's insurance policies are generally renewed on an annual basis and there can be no assurance that it will be able to renew all its policies or obtain new policies on similar or more favourable terms. Liabilities may exceed the Group's available insurance coverage or arise from claims outside the scope of its insurance coverage. In the event that the amount of such claims exceeds the coverage of the general insurance policies which the Group has taken up, the Group may be liable for shortfalls in the amounts claimed and its business, results of operations, financial condition and prospects may be materially and adversely affected.

The Group may experience limited availability of funds and be exposed to liquidity risks and prolonged indebtedness risks

The Group may require additional financing to fund future working capital requirements, to fund capital expenditure to support the growth of the business, to seize favourable acquisition opportunities, to invest in new assets useful to its business, and/or to refinance debt obligations. The Group may not be able to fulfil all its funding requirements from the resources available to it. Liquidity risks may adversely affect the Group's net operating cash flow and level of cash and cash equivalents, thereby causing it to be unable to reduce or meet its financial obligations. The Group's working capital requirements may be adversely affected due to the effects of fluctuations in cash flow and operating environment.

The Group's ability to finance its capital expenditure plans is subject to a number of risks, contingencies and other factors, some of which are beyond its control, including tariff regulations, borrowing or lending restrictions imposed by applicable government regulations and general economic and capital market conditions. For example, customers may delay paying their receivables due to economic factors or other factors beyond the Group's control, which may immobilise additional funds in the Group's working capital since its payables generally tend to be settled on a shorter basis (for example, labour costs). To finance the Group's working capital needs, it sells a proportion of its trade receivables on a recourse or non-recourse basis through factoring transactions.

While the Group also has unutilised facilities and funds available for use, the costs of financing and the availability of such facilities and funds also depends on a number of factors that are beyond the Group's control, including general economic conditions, availability of liquidity in the market, and changes in government policies, laws and regulations, which may affect the terms on which financial institutions are willing to extend credit to it.

The development of additional facilities and expansion projects are required to support the future and sustainable growth of its business. These developments and projects are capital intensive and require significant capital expenditure. The Group is also required to incur capital expenditures to maintain, upgrade and expand its facilities to keep pace with competitive developments, technological advances and evolving safety standards in the industries in which the Group operates. In addition, the pursuit of business opportunities may require it to have access to a significant amount of capital. If adequate funding is not available to the Group when needed, or available only on unfavourable terms, meeting its capital needs or otherwise taking advantage of business opportunities or responding to competitive pressures may become challenging. No assurance can be given that the Group will be able to raise sufficient funds required by its businesses on commercially acceptable terms or at all, or that the Group will not experience any delays in raising such funds. Any of such circumstances could lead to a material and adverse effect on the Group's ability to complete its projects and on the Group's profitability.

Any significant change in the contemplated financial requirements and development costs may also have a material and adverse effect on the Group's business, results of operations, financial condition and prospects. If the Group decides to incur more debt, its interest payment obligations will increase and it may be subject to additional restrictive conditions from lenders. At such time, the Group may need to look for additional sources of finance, which may not be readily available, or may not be available on commercially reasonable terms.

More specifically, the Group's ability to access the capital markets may be restricted at a time when the Group would like, or need, to access them. Additional financing, either on a short-term or a long-term basis, and factoring arrangements may not be available to the Group or, if available, may not be on favourable terms. Only some of the Group's factoring agreements are committed financing, and the Group's existing credit facilities may not be sufficient to meet its needs. Factors that could affect the Group's ability to procure financing include general economic conditions, changes in demand for airline services and market disruption risks which could adversely affect the liquidity, interest rates and availability of funding sources. Following the global financial crisis and the initial outbreak of COVID-19, financial markets experienced extreme disruption and volatility, including, among other things, diminished liquidity and credit availability. This has been further compounded by changes in the global economic outlook due to surges in fuel prices, a cost-of-living crisis in many countries, the prospect of hyperinflation in certain markets and other geopolitical instabilities such as those stemming from the armed conflict between Russia and Ukraine or the Israel-Hamas conflict.

Further, any consolidation in the Singapore and/or global banking industry may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector. Accordingly, there can be no assurance that the Group will be able to refinance its indebtedness as they become due on commercially reasonable terms or at all. The Group's level of indebtedness means that a portion of its expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations. The Group's level of indebtedness could accordingly restrict its ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the event of a general economic downturn. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on commercially reasonable terms or at all.

Economic downturns, disruptions in the financial markets or other factors could adversely affect our ability to post performance bonds

In the Group's technical services business, the Group may also be required to post performance bonds to its airport customers to guarantee its performance. The Group's ability to obtain such performance bonds from financial institutions depends on the institutions' assessment of its overall financial condition, the risks of the services it provides and its experience. If the Group is unable to obtain performance bonds for these contracts, or if it is unable to obtain them on acceptable terms, it will be unable to continue to do business with these customers, and its business, cash flows, financial condition and results of operations could be adversely affected.

The Group is exposed to interest rate risks

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expenses could be affected by an adverse movement in interest rates. Surplus cash balances are placed with reputable banks and financial institutions on varying maturities and interest rate terms. The Group has also incurred indebtedness to finance its operations. The interest cost to be borne by the Group for its floating interest rate borrowings (if any) will be subject to fluctuations in interest rates. In addition, the Group is subject to market disruption clauses contained in its loan agreements with banks which may result in the banks passing on higher cost of funds to the borrower. Where appropriate, the Group may seek to minimise its cash flow interest rate exposure by entering into interest rate swap contacts to swap floating interest rates to fixed interest rates over the duration of the borrowings. However, there can be no assurance that the hedging policy will adequately cover the exposure to interest fluctuations. As a result, the Group's financial condition, results of operations, and prospects may still be materially and adversely affected.

The Group is exposed to foreign exchange rate fluctuations and foreign exchange translation risks

The Group's revenue, costs, debts, capital expenditure and investments are mainly denominated in Singapore Dollars and several other currencies such as Euros, U.S. dollars, Japanese Yen, Chinese Renminbi and Hong Kong Dollars. The Group is also exposed to currencies such as Australian Dollars, Malaysian Ringgit, Indian Rupees, Indonesian Rupiah, Philippines Pesos, Maldives Rufiyaa, New Taiwan Dollars, Vietnamese Dong, Saudi Riyal, British Pound, Thai Baht, Brazilian Real, Canadian Dollar, and the Danish Krone, among others. Consequently, portions of the Group's costs, profit margins and asset values are affected by fluctuations in the exchange rates among the above-mentioned currencies. To mitigate this risk, the Group may enter into foreign exchange contracts to hedge its foreign currency exposure where appropriate, the impact of future exchange rate fluctuations on the Group's cost, profit margins and asset values cannot be accurately predicted and there is no guarantee that the hedging measures can adequately protect the Group from material adverse effects due to the impact of fluctuations in the relative values of the Singapore dollar and foreign currencies, which may result in a financial loss. Some of the currencies may also not be convertible or exchangeable or may be subject to exchange controls.

The reporting currency for the Group is Singapore Dollars. Exchange rate gains or losses will arise when the assets and liabilities in foreign currencies are translated or exchanged into Singapore Dollars for financial reporting or repatriation purposes. The fluctuation of the foreign currencies vis-à-vis the Singapore Dollar may materially and adversely affect the consolidated financial statements of the Group. For example, the Group's existing borrowings are mainly denominated in Euros, though the Group's balance sheet is accounted for and recognised in Singapore Dollars. While the Group will implement appropriate hedging policies and strategies for the combined business and perform regular review to manage such exposure, the impact of future exchange rate fluctuations on the Group's cost, profit margins and asset values cannot be accurately predicted and there is no guarantee that the hedging measures can adequately protect the Group from material adverse effects due to the impact of fluctuations in the relative values of the Singapore dollar and foreign currencies, which may result in a financial loss.

The Group may be adversely affected by proceedings arising from claims from external third parties

The Group may be involved, from time to time, in lawsuits relating to claims that arise in the ordinary course of its business. These lawsuits could include, but are not limited to, allegations of breach of contract, breach of warranty, property damage, and violation of employment rights and similar causes of action. Some of these lawsuits could also relate to aircraft damage, damage to other property or injury to individuals (which is partially covered by the Group's insurance) in the course of providing the Group's services to customers. The Group's operations also involve inherent risks to a person's property, and poor management or services on the Group's part, for instance, could result in the loss of cargo or delay in processing or delivering cargo, and potentially lead to legal claims being brought against the Group. Defending legal actions can be costly and time-consuming. If a judgement against the Group were to be rendered, the Group may be exposed to substantial financial liabilities, which may not be covered or adequately covered by insurance. The results of pending or future litigation and regulatory proceedings are also inherently difficult to predict, and the Group can provide no assurance that it will not incur losses in connection with current or future litigation or regulatory proceedings that exceed any provision it may set aside in respect of such proceedings or actions or that exceed its insurance coverage.

The Group may, from time to time, also be subject to claims arising from audits of its activities and records by regulatory authorities in the jurisdictions in which it does business, including tax authorities. There are currently several claims and proceedings pending against the Group by regulatory authorities which were already instituted against the WFS Group and/or its entities before the Group's completion of the WFS Acquisition. It is generally not possible to predict the outcome of pending or threatened legal proceedings. This is particularly true of lawsuits in the United States, in light of the large amounts of damages that may be claimed in proceedings there.

The Group may also be ordered to make substantial payments in one or more of the lawsuits in which it is or may be involved. An unfavourable outcome in one or more of the pending or threatened high-value lawsuits, or in several relatively low-value lawsuits, could have a material adverse effect on its cash flows, financial condition and results of operations.

Due to risks of litigation, the Group is also exposed to liability arising from its normal operations. To meet the cost of such contingencies, the Group is presently insured against liability towards customers, passengers and third parties arising in connection with its operations.

The Group faces additional litigation exposure in the U.S. due to employee-friendly laws coupled with America's uniquely litigious culture and the class action mechanism

The Group's operations in the U.S. cover numerous states, cities and local governmental or regulatory bodies, each of which has its own set of employment laws, regulations and ordinances. The Group has significant operations in states that are well-known for being employee-friendly, such as in California, Illinois and New York. The various labour and employment laws are often complex and not necessarily aligned, thus making full compliance impossible. This exposes the Group to potentially substantial liability in government and agency audits and private action. State, cities and local governments or regulatory bodies may also put in place laws and regulations that contradicts negotiated terms in the Group's collective bargaining agreements, which negatively impacts its ability to control labour costs.

Moreover, access to justice is a key tenet of the U.S. legal system and, as such, individuals and groups of individuals may have lower barriers in bringing their claims to court, as compared to certain other jurisdictions. For example, the mechanism of group litigation, or class actions, may allow the counsel for the class to collect sizeable contingency fees, even if recovery for each class member remains negligible in comparison. In addition, any downturn in the economy and turnover of employees (due to work reduction or otherwise) may precede an increase in the number of agency complaints or lawsuits filed, by both single plaintiffs and putative class actions. The Group may be ordered to make substantial payments in one or more of the lawsuits in which it is or may be involved. An unfavourable outcome in one or more of the pending or threatened high-value lawsuits, or in several relatively low-value lawsuits, could have a material adverse effect on its cash flows, financial condition and results of operations.

The Group may be adversely affected by risks relating to contractual counterparties, such as their failure to fulfil contractual obligations due to a decline in creditworthiness, or their exercise of certain unilateral contractual termination rights

The Group may be exposed to the risk of monetary loss if any of its counterparties, such as its suppliers or customers, encounters difficulty in meeting their obligations under the terms of their respective agreements. In particular, the Group faces the risk that accrued receivables could be uncollectable in whole or in part if contractual partners fail to pay or experience a temporary inability to pay or become insolvent. In the Group's businesses, the advance performance of services to customers is significant. As a result, total receivables in respect of individual customers, banks and financial institutions sometimes accrue in considerable amounts. If large contractual partners were to become insolvent, including due to an economic crisis, or if key customers were to halt or curtail their business operations, this could have a material adverse effect on the Group's cash flows, financial condition and results of operations.

Additionally, the Group also performs some of its work for customers under contracts with a fixed term, and the IATA model contract, upon which some of the Group's customer contracts are based, provides that the contract may be cancelled at any time by the customer upon an agreed notice period. While the Group strives to maintain long-term ties with its customers, they still retain their rights to terminate their contracts prior to expiration, and the Group may not be able to obtain compensation under applicable laws for terminated contracts or replace the lost revenue through new contracts with customers. Contract terminations or dissatisfaction with the Group's services may damage its reputation and make it more difficult for the Group to obtain similar contracts with other customers.

While the Group manages such risk by limiting the aggregate exposure to any individual counterparty, this may not always be possible. Any such increase in counterparty risk could adversely affect the Group. If the counterparties of the Group are unable to fulfil their contractual obligations or experiences a decline in creditworthiness, or exercises its rights to terminate contracts prematurely, this may materially and adversely affect the Group's business, results of operations, financial condition and prospects.

Adverse economic conditions can have a significant adverse effect on the airline industry and the Group's business by reducing demand for its services or increasing price pressure

Weak or negative economic growth or economic shocks have a substantial effect on the airline industry, for instance, the drastic effects on the global economy and the airline industry that resulted from the COVID-19 pandemic in 2019. Adverse economic conditions tend to reduce the number of business and leisure travelers, as well as the volume of cargo being shipped by air. In addition, a general economic downturn could affect consumer sentiment, which could weigh negatively on demand for air freight. The condition of the airline industry has a substantial effect on the Group's business, since its customers consist of, *inter alia*, passenger airlines, airports and freight carriers. Generally, when economic factors adversely affect the airline industry, airlines reduce their overall demand for the cargo handling, ground handling and technical services that the Group provides. The Group may therefore experience declines in the volume of its business (such as the amount of cargo shipped) and downward pressure on prices. Difficulties in the airline industry may also increase the credit risks associated with doing business with airlines.

Air cargo transport volumes decreased considerably in the second quarter of 2020 as a result of COVID-19 and reduced demand for air travel, resulting in a significant decrease in utilisation of cargo handling services, before improving as a result of increases in load factors, the high utilisation rate of available freighters, and the usage of some passenger aircraft for freight transportation only, along with the easing of certain of these restrictions. The uneven nature of economic growth worldwide, including the recovery from COVID-19, has led to shifting trade patterns, reducing demand for cargo transportation in certain markets. It is difficult to predict when an economic downturn will end or when one will occur. If current conditions deteriorate or if another economic crisis occurs, including as a result of a pandemic, it could negatively affect the demand for cargo handling and ground handling services, which would have an adverse effect on the Group's cash flows, financial condition and results of operations.

In addition to a decline in demand for cargo shipment and passenger traffic, and consequently a decline in the demand for the Group's cargo handling and ground handling services, economic volatility typically causes its customers to seek ways to cut costs. One way in which the Group's airline customers have sought to reduce their costs is by reducing the amount they spend on outsourced ground handling services, including the services that the Group provides. Certain of the Group's customers may seek to renegotiate lower prices for its services, both under existing contracts and when the Group's contracts are up for renewal. This trend could continue or even intensify in the future, which could lead to a drop in profitability or to losses. In addition, the measures the Group has taken to optimise income by reducing operating costs may not be successful if market conditions change. All of these factors could have a material adverse effect on the Group's cash flows, financial condition and results of operations.

Deregulation of ground handling services could negatively affect the Group's business

The airline and ground handling industry has traditionally been subject to strict public regulation of access to airports. Even where the cargo handling sector has been open to competition for years (for example, in Europe), ground handling activities are still protected at many airports. However, airports and ground handling service providers have increasingly been subject to deregulation, opening the market to a greater number of potential competitors. In airports where the Group is already established, deregulation may increase ground handling competition and put downward pressure on its prices. The loss of existing ground handling contracts or decreases in prices for ground handling services may have a material adverse effect on the Group's cash flows, financial condition and results of operations.

To win new contracts, the Group may have to dedicate time and financial resources to complex tender procedures with uncertain outcomes

Contracts for cargo handling, ground handling, in-flight catering and other technical services are often awarded following a competitive tender procedure based on lengthy evaluation periods and highly specific requests for proposals. To secure such contracts, the Group may invest considerable resources, in both time and money, to prepare a tender offer, and even so there is no assurance that the Group may succeed in securing the contracts. It is generally very difficult to predict whether or when the Group will be awarded such contracts because of the complexity of the bidding and selection process. This process is affected by a number of factors, such as operational capabilities, market conditions, financing arrangements and governmental approvals. If, after the competitive tender process, the Group is not awarded the contract, it cannot recover this cost and may fail to increase or maintain its market share and revenue, which may have a material adverse effect on its cash flows, financial condition and results of operations.

The Group may not accurately estimate the cost components of its contracts

Historically, a portion of the Group's total revenue has been derived from multi-year contracts containing a fixed price component, for example, based on the volume of cargo or luggage handled. In such cases, the fixed price component is set on the date a bid is either tendered or awarded, although it usually allows for a certain increase in price over time. In many cases, fixed-price components cannot subsequently be altered or the Group's ability to adjust the price is restricted by applicable clauses in the contract, which may provide only for certain limited cases of pass-through adjustments or automatic adjustments in the case of variations affecting the underlying contract. Therefore, if cost estimates made at the time the relevant contract is signed prove to be inaccurate (due to increases in the cost of labour or fuel, for example), the Group's business, cash flows, financial condition and results of operations could be adversely affected.

The Group may be subject to investigations from competition authorities

Before any potential future acquisition may be consummated, if the relevant merger control or foreign investment thresholds are met, the Group may need to seek approvals and consents from competition authorities or other governmental agencies, and, in certain jurisdictions, there may be applicable waiting periods that will need to expire. In order to obtain such competition law-related approvals, if the target companies have strong positions in the market, the Group may be required to divest assets or take other remedial measures that could have the effect of reducing its cash flows. Even if the competition authorities or governmental agencies do not require divestments or other remedies, the merger control or foreign investment approval process may have the effect of delaying potential acquisitions, as, in most jurisdictions, the transaction cannot be closed before the relevant clearances have been obtained. In addition, the risk of antitrust investigations may increase if the Group acquires a company that has a strong market position in any of the countries in which it operates, as a competition authority could open an investigation either on its own, if it suspects potential anti-competitive practices, or as a result of a complaint from another market player (such as a competitor). Any such investigation in the future could adversely affect the Group's reputation, could potentially result in legal proceedings or sanctions that could have an impact on its business, financial condition and results of operations and could lead to significant costs of investigating and defending the investigations. Negative publicity from competition-related investigations or sanctions may harm existing or potential business relationships with customers, which could have a material adverse effect on the Group's cash flows, results of operations or financial condition. Finally, in the event of a decision from a competition authority finding the existence of anticompetitive practices, there may also be a risk of follow-on damages claims lodged by market players potentially adversely affected by the practices at stake.

The Group's business is subject to compliance risks under applicable anti-corruption laws and under import, export controls, and trade and economic sanctions laws. Any investigations, prosecutions, or criminal or civil sanctions or other penalties imposed under these laws could have a material adverse effect on the Group's business

The Group is subject to various anti-corruption laws, including, for example, the Singapore Prevention of Corruption Act, 1960, the United States Foreign Corrupt Practices Act of 1977, as amended, the United Kingdom Bribery Act 2010 and Law "Sapin II" No. 2016-1691 (collectively, the "**Anti-corruption Laws**"). These laws generally prohibit direct or indirect payments or offers of financial or other advantages to (a) government officials (including officers or employees of majority state-owned or controlled entities) with the intent of influencing any act or decision of the official or inducing the official to use his influence to affect an act or decision of a government entity for the purpose of obtaining or retaining business, or (b) any person, where the payment is intended to, or does, influence that person to act or reward that person for acting in breach of an expectation of good faith, impartiality or trust or where the payment would otherwise be improper for the recipient to accept.

The Group is also subject to applicable import, export controls, and trade and economic sanctions laws and regulations (collectively, "**Trade Controls**") in the countries and territories in which it operates. Compliance with these Trade Controls, including dealing with investigations of alleged violations, can be costly and disruptive to the Group's business, and any failure to successfully comply with the Trade Controls may result in potentially significant penalties. Furthermore, changes to Trade Controls may require corresponding changes to the Group's compliance functions or business operations, including, among other things, the termination of certain business activities in particular countries or with particular parties (for example, countries or parties that are the subject of prohibitions or restrictions under applicable sanctions-related laws and regulations). Such actions may negatively impact the Group's relationship with the counterparties to the affected contracts and other stakeholders, including those located outside the affected jurisdictions.

From time to time, the Group may be subject to investigations and inquiries alleging wrongdoing under various Anti-corruption Laws. Any investigation, enforcement action or judgement under Anti-corruption Laws or Trade Controls may carry high financial and reputational costs and could result in severe criminal or civil sanctions and penalties, including fines, the imposition of a corporate monitor and the loss of authorisations needed to conduct aspects of the Group's international business and to enter into contracts with customers who have contracts with the U.S. and other governments. A violation of these laws and regulations could thus have a material adverse effect on the Group's cash flows, financial condition and results of operations.

Anti-Corruption Laws

In 2012, journalists in South Africa uncovered a corruption issue relating to Worldwide Flight Services South Africa Ltd ("**WFS South Africa**") (a company incorporated pursuant to a franchise agreement between Worldwide Flight Services SA, Alex McRoberts ("**AM**") and MK2 Ltd (a company controlled by AM) and wholly-owned by MK2 Ltd, with AM as its director). It was alleged that over a period of years AM provided the CEO of Dube TradePort, Rohan Persad, with cash and gifts in order to entice Persad to take a 40% stake in WFS South Africa. In return, Persad would help to increase the value of WFS South Africa by supplying various lucrative contracts. On becoming aware of the allegations, the WFS Group fully cooperated with relevant authorities and subsequently terminated the franchise on 9 July 2012. The South African government did not pursue the matter further beyond instructing external auditors to undertake an audit. The findings of the audit were not shared with the Group. The Group did however receive a letter from Dube TradePort exonerating the Group from any involvement or engagement in improper activities. The WFS Group no longer operates a franchise model in South Africa and there is no connection between this earlier terminated franchise operation and the Group's South African operation that exists as at the date of this Offering Circular.

In January 2012, a Duty Terminal Manager at the Baggage Department of SATS was charged for corruption and other offences under the Computer Misuse Act 1993 of Singapore. He was subsequently sentenced to 2 weeks imprisonment, $36,000 in fines and a penalty of $5,080 in May 2012. His responsibilities in SATS included overseeing the daily loading and unloading operation of passenger baggage for incoming and outgoing flights from Changi Airport Terminal 2. Between 2007 and 2008, the Duty Terminal Manager had accepted gratifications totalling $5,080 from a freelance airport agent in return for confidential information of passengers with no check-in baggage. The said Duty Terminal Manager had made unauthorised access into system to obtain such information. The airport agent had used the information to help his clients who were foreign passengers with excess baggage as the excess baggage were then included under the quota meant for those passengers without any check-in baggage so that his clients did not have to pay the excess baggage charges.

In April 2019, two customer service associates of SATS Asia Pacific Star were charged for accepting bribes in exchange for under-reporting weight of passengers' baggage. One was sentenced to 7 weeks' imprisonment and ordered to pay a penalty of $630 in April 2019 and the other was sentenced to 2 weeks' imprisonment and ordered to pay a penalty of $66 in March 2021.

In August 2020, one former employee of SATS was sentenced to 15 months imprisonment for eight corruption charges involving more than S$150,000. This former employee was a cargo technical supervisor whose job included ensuring that repair works were properly carried out by external contractors. He accepted bribes in exchange for helping such external contracts obtain contracts from SATS. Another former SATS assistant manager was also charged for receiving S$20,000 and S$3,000 from the said subject and a manager of one of the said contractors. The former assistant manager allegedly took the money as a reward related to jobs offered by SATS. Court documents did not reveal details on these jobs.

In January 2021, the joint venture entity FCS Frankfurt Cargo Services GmbH ("**FCS**") was informed that lorry drivers delivering cargo to the Frankfurt airport were paying bribes to FCS employees which were intended to ensure that their cargo would be processed more quickly upon arrival at the airport. The matter was reported to the anti-corruption department of the Frankfurt police who conducted an investigation with full cooperation from FCS. Two FCS employees were asked to leave the company. No action was taken by the Frankfurt police against FCS and the Group does not expect that any such action with regard to this incident would be taken in the future.

In late 2022, an employee of WFS was found to have entered into business with certain third parties in relation to the collection and disposal of used wooden pallets from WFS's premises, without first going through the requisite vendor due diligence processes prescribed by the WFS's internal procedures. As a result, a disciplinary meeting was held where the employee was found to have violated certain internal policies of WFS and disciplinary actions were taken against the employee. WFS has also supplemented its internal policies and procedures for good order.

In December 2022, one former employee of SATS was charged in court for allegedly committing corruption, cheating and obstruction of justice offences together with four suppliers of SATS. He allegedly committed the offences while he was still in employment with SATS. Between 2019 and 2021, the said former employee was alleged to have corruptly obtained gratifications totalling about S$18,000 from the four suppliers as inducements for him to advance the business interest of the four suppliers with SATS. With regards to the charge under obstruction of justice, he had allegedly instigated the suppliers to delete incriminating evidence pertaining to their dealings during an investigation against him. As at the Latest Practicable Date, the relevant court proceedings in relation to these charges and allegations are still in progress.

In March 2023, WFS discovered that a number of small gifts were provided to certain public officials by a WFS employee at Christmas the previous year. The matter was investigated and disciplinary action was taken.

Following receipt of the monthly report on gifts and hospitalities offered and/or received in August 2023, WFS discovered that an employee had offered a lunch to a public official. Although having a lunch with a public official is not forbidden under WFS's Gifts Hospitality Policy, paying for such a lunch is strictly forbidden as it can potentially be perceived as a bribe. An interview was organised with the relevant employee along with his manager, who had retrospectively approved the lunch. The investigation is ongoing as at the Latest Practicable Date.

In January 2023, it was discovered that a member of WFS cargo management had hired a family member as an employee and paid the family member for work not performed, while concealing the familial relationship. Further investigation uncovered the engagement of a construction vendor owned by/affiliated with another family member (who was previously terminated from WFS), again without disclosing the familial relationship. After full investigation, the employee was found to have violated several internal company policies and Rules of Conduct and subsequently terminated. Additionally, the family member hired on was also terminated and the construction vendor was also dismissed.

Trade Controls

Prior to the Group's acquisition of WFS, one of WFS Group's non-U.S. subsidiaries was party to a contract with an airport authority pursuant to which it handled all baggage of any airline arriving at a particular terminal, and it identified that from time to time its services to the airport authority included the handling of baggage relating to two airlines that were the subject of sanctions by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"). The provision of services to one of the airlines was permitted under an OFAC general license; the other was identified on the List of Specially Designated Nationals and Blocked Persons (the "**SDN List**") maintained by OFAC. The relevant contract was assigned to a third party in 2018, and WFS ceased to provide services to either of the two airlines. Nonetheless, WFS voluntarily disclosed the provision of services to the airline on the SDN List to OFAC through an initial disclosure in 2018, with a full report (including with respect to certain other sanctions-related issues, including the provision of services to or for the benefit of a sanctioned Cuban airline and in relation to certain shipments to Cuba and Iran) following in 2019. Although OFAC formally closed the matter without a penalty in 2021, the provision of services (including in the past) to any person on the SDN List could result in a range of enforcement responses by OFAC or other regulators in the United States, including civil or criminal liability as well as potential designation by, or other sanctions from, OFAC.

In addition, in isolated instances in 2020 and 2021 (before the Group's completion of its acquisition of WFS), WFS's handling teams inadvertently handled shipments which were affiliated with a sanctioned Cuban airline. Its internal automatic controls, which would ordinarily have flagged these violations, failed to do so in the relevant jurisdiction due to a lack of local implementation of the controls. Furthermore, in the five years prior to WFS's acquisition of Mercury Air Cargo, Inc., that company handled cargo for a limited number of shipments between the United States and Cuba, Iran and Venezuela. In response to the situations described above, WFS implemented its automatic controls in the relevant jurisdictions and have reinforced this with training and local poster campaigns. Following the acquisition of WFS, the Group is in process of strengthening its control and monitoring of trade sanctions risks across the Group.

The Group has established compliance programmes across the Group. The Group also has in place processes and procedures to prevent and detect violations of Anti-corruption Laws and Trade Controls. However, it cannot ensure full compliance by its employees, representatives, or counterparties to its agreements, for which the Group may be held responsible even where it is outside its direct control or knowledge, and any such violation could materially adversely affect the Group's reputation, business, financial condition and results of operations. The Group's exposure under Anti-corruption Laws and Trade Controls is heightened due to the degree to which it conducts business with governmental or quasi-governmental entities (such as airport authorities) and work in countries and regions that have a reputation for heightened corruption and sanctions-related risks.

Notwithstanding the internal policies that the Group has implemented to prevent infractions of Anti-Corruption Laws or Trade Controls, there remains an inherent risk that they may still inadvertently breach such Anti-Corruption Laws and Trade Controls due to the size and nature of the Group's business spanning across extensive geographical boundaries. The Group also cannot assure full compliance with implemented internal policies by its employees, representatives, or even counterparties to its agreements, for which the Group may be held responsible even where it is outside its direct control or knowledge. Any such violations of Anti-corruption Laws and Trade Controls could materially adversely affect the Group's reputation, business, financial condition and results of operations.

The Group is subject to tax risks

The Group must structure its organisation and operations appropriately while respecting the various tax laws and regulations of the jurisdictions in which it operates, as well as international tax laws. Such laws and regulations are generally very complex. Additionally, because tax laws may not provide clear-cut or definitive doctrines, the tax regime applied to the Group's operations and intragroup or third-party transactions or reorganisations is sometimes based on the Group's interpretations of tax laws (including case law) and regulations at a given point in time. The Group cannot guarantee that such interpretations will not be questioned by the relevant tax authorities, potentially triggering a tax audit, which could adversely affect its financial condition or results of operations. More generally, any failure to comply with the tax laws or regulations of the countries in which it operates may result in reassessments, and the payment of taxes, interest on late payments, fines and penalties, or may increase the costs incurred to track and collect such taxes, which could in turn increase the Group's costs of operations and have a negative effect on its cash flows, financial condition and results of operations.

Tax laws and regulations are also subject to change, and new laws and regulations may make it difficult to maintain or restructure the Group's operations in a consistently favourable manner. Changes in tax laws or regulations or in their interpretation could also adversely affect the Group's tax position, including its effective tax rate or tax payments. For example, the European Union continues to harmonise the tax legislation of its member states, resulting in sometimes fundamental changes in tax law. Recent efforts by both the European Union and the wider global community to target tax-avoidance arrangements (such as the adoption by the Council of the EU of an EU list of non-cooperative jurisdictions for tax purposes) and, separately, to impose a global minimum tax on the largest of multinational enterprises are similarly yielding significant changes in tax law.

Significant judgement is required in determining the Group's worldwide tax liabilities and obligations. Although the Group believes that it has adequately assessed and accounted for potential tax liabilities (with the support of external counsel where required), and that its tax estimates, including the Group's transfer pricing estimates and methodology, are reasonable, there can be no certainty that additional taxes will not be due upon an audit of the Group's tax returns or as a result of changes to applicable tax laws (including case law) and interpretations thereof. In addition, several of the governments in which the Group conducts its operations are actively considering changes to their respective taxation regimes, which may impact the recognition and taxation of worldwide income. The nature and timing of any amendments to tax laws of the jurisdictions in which the Group operates and the impact on its future tax liabilities cannot be predicted with any certainty, and any such amendments or changes could materially and adversely impact its results of operations and financial position, including cash flows. The Group often relies on generally available interpretations of applicable tax laws and regulations in the jurisdictions in which it operates. These positions may relate to, among other things, tax compliance, disclosure obligations, classification of income, transfer prices, treaty relief on withholding tax, gross receipts, payroll, property and income tax issues. The Group cannot be certain that the relevant tax authorities are in agreement with the Group's interpretation of these laws. If the Group's tax positions are challenged by relevant tax authorities, the assessment of additional taxes could require the Group to pay taxes that it currently does not collect or pay or increase the costs of its services to track and collect such taxes, which could increase the Group's costs of operations or the Group's effective tax rate and have a negative effect on the Group's business, financial condition and results of operations. The occurrence of any of these tax risks could have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, the Group may record deferred tax assets on its balance sheet, reflecting future tax savings resulting from discrepancies between the tax and accounting valuation of its assets and liabilities or in respect of carry-forward tax losses from the Group's entities.

The actual realisation of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits and the future results of the relevant entities. Any limitation in the Group's ability to use these assets due to changes in laws and regulations, potential tax reassessments, or lower than expected results could have a negative impact on its business, results of operations and financial condition.

Finally, the services the Group provides to its clients are sometimes subject to value added taxes, sales taxes or other similar taxes. Tax rates may increase at any time, and any such increase could affect the Group's business and the demand for its services, and thereby reduce its operating profit, negatively affecting its business, results of operations and financial condition.

The Group's global operations in diverse locations exposes it to various economic, political, geopolitical, social and legal risks that are beyond its control

As of Latest Practicable Date, the Group has a multinational business with a presence in over 210 locations and 27 countries across the Asia Pacific, United Kingdom, Europe, the Middle East, Africa and the Americas, and the Group may increase its presence in other countries and regions in the future. As a result of the international scope of the Group's operations, it is subject to a number of political, social and economic risks and challenges associated with operating in foreign countries, many of which are beyond its control. Furthermore, with the Group's business being mostly dependent on global international trade, any major geopolitical instability may have a material impact on its operations. These risks include some or all of the following:

- major disruptions to the global air transportation industry as a result of geopolitical crisis, such as the Ukraine-Russia war, the US-China tensions over Taiwan, and the Israel-Hamas conflict;

- restrictions related to public health crises (which previously included the COVID-19 pandemic, the effect of which on air transport has not yet fully subsided);

- significant changes in economic conditions affecting the transport and logistics industry, such as significant increases in fuel costs and surges in inflation;

- political, social and economic instability, including strikes or civil unrest;

- war and civil disturbance, such as widespread demonstrations, coups or acts of terrorism;

- natural disasters, including tsunamis, earthquakes, fires, floods, drought and similar events;

- the taking of property by nationalisation or expropriation without fair compensation;

- changes in government policies and regulations and political intervention in the economy, notably those related to interest rates, foreign exchange (as further described below), wage and price controls, or international trade, taxation or security measures;

- economic slowdowns or other disruptions of the economic environment;

- devaluation and fluctuations in currency exchange rates;

- the imposition of limitations on conversions of foreign currencies or remittance of dividends and other payments by foreign Subsidiaries and other capital controls;

- the imposition or increase of withholding and other taxes on remittances and other payments by foreign Subsidiaries;

- boycotts or other restrictions on the Group's ability to perform and render its services;
- hyperinflation in certain foreign countries;
- political considerations that may affect contract bidding; and
- the imposition or augmentation of investment and other restrictions or requirements by foreign governments.

The political systems in the countries where the Group operates may be vulnerable to the public's dissatisfaction with reforms, social and ethnic unrest and other factors that are beyond its control. The Group's operations in developing countries may also be more susceptible to government acts of nationalisation, expropriation or civil unrest.

Any disruption or volatility in the political, social or economic environment in the countries where the Group operates may have a material adverse effect on its cash flows, financial condition and results of operations.

The Group handles personal data including in the ordinary course of its business, and any failure to comply with applicable data protection laws or to maintain the confidentiality of that data could result in fines, legal liability for the Group and reputational harm to the Group's business

The Group processes personal data in its business and must therefore comply with strict data protection and privacy laws in all the jurisdictions in which it operates. For example, the Group is subject to laws and regulations on privacy, information security and data protection, the most relevant of which relate to the collection, protection and use of personal data, including the Singapore Personal Data Protection Act 2012 (the "**PDPA**") and EU Regulation 2016/679 (the "**General Data Protection Regulation (GDPR)")**. The Group's failure to comply with privacy, data protection and information security laws could result in potentially significant regulatory or governmental investigations or actions, litigation, fines, sanctions and damage to its reputation.

Moreover, data protection laws and rules impose certain standards of protection and safeguarding of personal information and could make the Group liable in the event of a loss of control of such data or as a result of unauthorised third-party access. Unauthorised data disclosure could occur as a result of human error, external hacking, malware infection, malicious or accidental user activity, internal security breaches or physical security breaches where unauthorized personnel gain physical access. A misuse of such data or a cybersecurity breach could harm the Group's reputation, increase its operating expenses in order to correct the breaches or failures, expose the Group to liability, increase its risk of regulatory scrutiny, subject the Group to lawsuits, result in the imposition of material penalties and fines under applicable laws or regulations, and adversely affect the Group's business and results of operations.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE INSTRUMENTS ISSUED UNDER THE PROGRAMME

Risks relating to the Instruments Issued under the Programme

The Trustee may request that the Noteholders or Securityholders provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances, the Trustee may (at its sole discretion) request the Noteholders or the Securityholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of Noteholders or Securityholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction.

Negotiating and agreeing to any indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take actions notwithstanding the provision of an indemnity and/or security or pre-funding to it, in breach of the terms of the Trust Deed constituting the relevant Instruments and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders or Securityholders to take such actions directly.

Anti-money laundering and terrorism

The Trustee and each Agent may take and instruct any delegate, agent or attorney to take any action which the Trustee or the Agent considers in its sole discretion appropriate so as to comply with any applicable law, regulation, request of a public or regulatory authority or policy which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities, including but not limited to the interception and investigation of transactions. There is a risk that such action may delay or prevent the processing of payment instructions, the settlement of transactions or the Trustee's or Agent's performance of its obligations under the Trust Deed or the Agency Agreement. In such circumstances, the Trust Deed and the Agency Agreement provide that none of the Trustee, the Agents nor any delegate, agent or attorney will be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) caused in whole or in part by any actions taken by the Trustee, the Agent or any delegate, agent or attorney unless the loss arises directly from the fraud, gross negligence or wilful default of the Trustee or such Agent.

Performance of contractual obligations by the Issuer depends on other parties

The ability of the Issuer to make payments in respect of the Instruments may depend upon the due performance by the other parties to the transaction documents relating to the Programme or an issue of the Instruments of their obligations thereunder including the performance by the Trustee and the Agents (as defined in the Trust Deed) of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments under the Instruments, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders, Securityholders and/or the couponholders.

The Instruments are unsecured obligations and payments under the Instruments and the Guarantee of the Instruments will be structurally subordinated to liabilities and obligations of certain of the Company's Subsidiaries

As the Instruments and the Guarantee of the Instruments are unsecured obligations, the repayment of the Instruments may be adversely affected if:

- the Company enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings; or

- there is a default in payment under the Company's future secured indebtedness or other unsecured indebtedness, or there is an acceleration of any of the Company's indebtedness.

If any of these events were to occur, the Company's assets may not be sufficient to pay amounts due on the Instruments, after meeting all claims ranking ahead of the Instruments, to discharge all outstanding payment and other obligations under the Instruments.

Further, the Company only has a shareholder's claim on the assets of its Subsidiaries. This shareholder's claim is junior to the claims that creditors of any such Subsidiary have against it. The Noteholders and the Securityholders will only be creditors of the Company and not of the Company's Subsidiaries, who are not providing any guarantees of the Instruments. In addition, neither the Noteholders nor any Securityholders will have the benefit of any security interest over the shares of any of the Company's Subsidiaries or any security interest over the assets of the Company's Subsidiaries. As a result, liabilities of any of the Company's Subsidiaries will be effectively senior to the Instruments. Any of these Subsidiaries may in the future have other liabilities, including contingent liabilities, which may be significant.

The Instruments may not be a suitable investment for all investors

Each potential investor in any Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Instruments, the merits and risks of investing in the relevant Instruments and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to the Offering Circular or any Pricing Supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Instruments and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Instruments, including where principal, distribution or interest is payable in one or more currencies, or where the currency for principal, distribution or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the relevant Instruments and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Instruments may be complex financial products and such products may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Instruments which are complex financial products unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of such Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Instruments are legal investments for it, (2) the Instruments can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Instruments under any applicable risk-based capital or similar rules.

The Conditions of the Notes and the Securities contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders or Securityholders and without regard to the individual interests of particular Noteholders or Securityholders

Each of the Trust Deed and the Conditions of the Notes and the Securities contain provisions for calling meetings of Noteholders or Securityholders (as the case may be) to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders or Securityholders including Noteholders and Securityholders who did not attend and vote at the relevant meeting and Noteholders or Securityholders who voted in a manner contrary to the majority. There is a risk that the decision of the majority of the holders of the Instruments may be adverse to the interest of an individual holder of the Instruments.

Each of the Conditions of the Notes and the Securities provide that the Trustee may, without the consent or sanction of Noteholders or Securityholders and without regard to the interests of particular Noteholders or Securityholders, agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Securities, and such modification, waiver or authorisation shall be binding on the holders of the Notes and the Securities.

The value of the Instruments could be adversely affected by a change in English law, Singapore law or administrative practice

The conditions of the Instruments will be governed by English law or Singapore law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law, Singapore law or the respective administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Instruments affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Instruments and may be adversely affected if definitive Instruments are subsequently required to be issued

In relation to any issue of Instruments which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Instruments may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Instruments at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note or Security in respect of such holding (should definitive Instruments be printed or issued) and would need to purchase a principal amount of Instruments at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Instruments in definitive form are issued, holders should be aware that definitive Instruments which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade. Definitive Instruments will in no circumstances be issued to any person holding Instruments in an amount lower than the minimum denomination and such Instruments will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest (in respect of Notes) or distributions (in respect of Securities) or to vote or attend meetings of holders of Instruments) in respect of such Instruments.

The Instruments may be represented by Global Notes or Global Securities and holders of a beneficial interest in a Global Note or Global Security must rely on the procedures of the relevant Clearing System(s)

Instruments issued under the Programme may be represented by one or more Global Notes or Global Securities. Such Global Notes or Global Securities will be deposited with a common depositary for, and registered in the name of a nominee of the Common Depositary for Euroclear and Clearstream, Luxembourg or deposited with CDP or its nominee (each of Euroclear, Clearstream, Luxembourg and the CDP, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note or Global Security, investors will not be entitled to receive the Instruments in definitive form. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Securities. While the Notes or the Securities are represented by one or more Global Notes or Global Securities, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes or the Securities are represented by one or more Global Notes or, as the case may be, Global Securities, the Issuer will discharge its payment obligations under the Notes and the Securities by making payments to or to the order of the relevant Clearing System(s) for distribution to their account holders.

A holder of a beneficial interest in a Global Note or Global Security must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes or, as the case may be, the relevant Global Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Securities (as the case may be).

Holders of beneficial interests in the Global Notes or Global Securities will not have a direct right to vote in respect of the relevant Notes or, as the case may be, Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Similarly, holders of beneficial interests in the Global Notes or Global Securities will not have a direct right under the respective Global Notes or Global Securities to take enforcement action against the Issuer in the event of a default under the relevant Notes or an enforcement event under the relevant Securities but will have to rely upon their rights under the Trust Deed.

The regulation and reform of "benchmarks" may adversely affect the value of Instruments linked to or referencing such "benchmarks"

Interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Instruments linked to or referencing such a benchmark.

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause benchmarks to perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted.

Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Instruments linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019.

On 30 August 2019, the MAS announced that, it has established a steering committee, the Steering Committee for SOR Transition to SORA (the "**SC-STS**"), to oversee an industry-wide interest rate benchmark transition from the Swap Offer Rate to the Singapore Overnight Rate Average ("**SORA**"). On 5 August 2020, MAS announced several initiatives to support the adoption of SORA, including prescribing SORA as a financial benchmark under the SFA. The initiatives aimed to catalyse greater activity in SORA markets, safeguard the benchmark's integrity and enhance market confidence in SORA. On 27 October 2020, the SC-STS announced industry timelines to support a coordinated shift away from the use of SOR in financial products, and to concurrently accelerate usage of SORA. SOR was discontinued on 30 June 2023 across all tenor settings. Similarly, the Singapore Interbank Offer Rates ("**SIBOR**") is expected to be discontinued by end 2024, with financial institutions and their customers to cease usage of SIBOR in new contracts by end-September 2021. In addition, the MAS expanded the mandate of the SC-STS to enable it to oversee the interest rate benchmark transition from SIBOR to SORA.

The potential elimination of any benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Instruments linked to such benchmark. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Instruments linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The potential elimination of any benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(i)(iii) (*Benchmark Replacement (Independent Adviser)*) of the Notes or Condition 5(c)(ii) (*Benchmark Replacement (Independent Adviser)*) of the Securities, or result in adverse consequences to holders of any Instruments linked to such benchmark (including Floating Rate Instruments whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Instruments, the return on the relevant Instruments and the trading market for securities (including the Instruments) based on the same benchmark.

The Conditions of the Instruments provide for certain fallback arrangements in the event that a published benchmark including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in the Conditions), as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Instruments. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Instruments may not achieve this objective. Any such changes may result in the Instruments performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Instruments based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Instruments.

Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Instruments linked to or referencing a benchmark.

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Instruments

The use of risk-free rates – including those such as the Sterling Overnight Index Average ("**SONIA**"), Secured Overnight Financing Rate ("**SOFR**"), the Singapore Overnight Rate Average ("**SORA**") and the €STR, as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Instruments that reference risk-free rates issued under this Programme. The Issuer may in the future also issue Instruments referencing SONIA, the SONIA Compounded Index or €STR that differ materially in terms of interest determination when compared with any previous Instruments issued by it under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Instruments that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Instruments referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Instruments, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Instruments, the trading price of such Instruments linked to such risk-free rates may be lower than those of Instruments referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Instruments which reference SONIA, SOFR, SORA, €STR or any related indices.

Risk-free rates may differ from LIBOR and other inter-bank offered rates in a number of material respects and have a limited history

Risk-free rates may differ from The London Interbank Offered Rate ("**LIBOR**") and other inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Instruments. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Instruments may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Instruments which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant interest payment date. It may be difficult for investors in Instruments which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Instruments, and some investors may be unable or unwilling to trade such Instruments without changes to their IT systems, both of which could adversely impact the liquidity of such Instruments. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 13 of the Notes (*Events of Default*), or are otherwise redeemed early on a date which is not an interest payment date, the final rate of interest rate payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

The administrator of SONIA, SOFR, SORA or €STR or any related indices may make changes that could change the value of SONIA, SOFR, SORA or €STR or any related index, or discontinue SONIA, SOFR, SORA or €STR or any related index

The Bank of England, the Federal Reserve, Bank of New York, the Monetary Authority of Singapore or the European Central Bank (or their successors) as administrators of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Compounded Index), SORA (and Compounded Index SORA) or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR, SORA or €STR, or timing related to the publication of SONIA, SOFR, SORA or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR, SORA or €STR or any related index (in which case a fallback method of determining the interest rate on the Notes or the Securities will apply). The administrator has no obligation to consider the interests of Noteholders or Securityholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

Risks related to the structure of a particular issue of Instruments

A wide range of Instruments may be issued under the Programme. A number of these Instruments may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Instruments and those which might occur in relation to certain types of Instruments:

Risks applicable to Instruments which contain an issuer call option

If the Issuer has the right to redeem any Instruments at its option, this may limit the market value of the Instruments concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature of any Instruments is likely to limit their market value. During any period when the Issuer may elect to redeem such Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Instruments when its cost of borrowing is lower than the interest rate on the Notes or the rate of distribution on the Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes or the rate of distribution on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Risks applicable to Instruments which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining terms of such securities, the greater the price volatility as compared to more conventional interest- bearing securities with comparable maturities.

If the Instruments include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Instruments concerned

Fixed/Floating Rate Instruments are Instruments which bear interest or confer a right to distribution at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest or distribution basis, and any conversion of the interest or distribution basis, may affect the secondary market in, and the market value of, such Instruments as the change of interest or distribution basis may result in a lower interest return for holders of the Instruments since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. Where the Instruments convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than the then-prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. Where the Instruments convert from a floating rate to a fixed rate, the fixed rate may be lower than the then-prevailing rates on those Instruments and could affect the market value of an investment in the relevant Instruments.

Investors of the Notes are exposed to risks relating to Singapore taxation

The Notes to be issued from time to time under the Programme, during the period from the date of this Offering Circular to 31 December 2028, are, pursuant to the ITA and the MAS Circular FDD 08/2023 entitled "Qualifying Debt Securities ("QDS") and Primary Dealer Schemes – Extension and Refinements" issued by the MAS on 31 May 2023, intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section entitled "*Taxation – Singapore Taxation*".

However, there is no assurance that the Notes will continue to enjoy the tax exemptions or concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

Risks applicable to Securities

Securities may be issued for which investors have no right to require redemption

Securities may be issued by the Issuer under the Programme. Securities have no fixed final maturity date. Securityholders have no right to require the Issuer to redeem Securities at any time, and an investor who acquires Securities may only dispose of such Securities by sale. Securityholders who wish to sell their Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, potential investors should be aware that they may be required to bear the financial risks of an investment in Securities for an indefinite period of time.

If specified in the applicable Pricing Supplement, Securityholders may not receive Distribution payments if the Issuer elects to defer Distribution payments

If Distribution Deferral is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, elect to defer any scheduled distribution (in whole or in part) on the Securities for any period of time. The Issuer may be subject to certain restrictions in relation to the payment of dividends on its junior or parity obligations and the redemption and repurchase of its junior or parity obligations until any Arrears of Distribution (as defined in the Conditions of the Securities) and any Additional Distribution Amounts (as defined in the Conditions of the Securities) are satisfied. The Issuer is not subject to any limits as to the number of times distributions can be deferred pursuant to the Conditions of the Securities subject to compliance with the foregoing restrictions. Distributions may be cumulative or non-cumulative, as will be set out in the applicable Pricing Supplement. The Issuer may defer its payment for an indefinite period of time by delivering the relevant deferral notices to the holders, and holders have no rights to claim any distribution, Arrears of Distribution or Additional Distribution Amount if there is such a deferral. Investors should be aware that the interests of the Issuer may be different to the interests of the Securityholders. In addition, as a result of the potential non-cumulative distribution feature of the Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Securities may be more volatile than the market price of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Group's financial condition.

If specified in the applicable Pricing Supplement, the Securities may be redeemed at the Issuer's or the Guarantor's option at date(s) specified in the applicable Pricing Supplement or on the occurrence of certain other events

The Conditions of the Securities provide that the Securities may, if redemption at the option of the Issuer or the Guarantor is specified as being applicable in the applicable Pricing Supplement, be redeemed at the option of the Issuer on certain date(s) specified in the applicable Pricing Supplement at the amount specified in the applicable Pricing Supplement.

In addition, the Issuer may also have the right (but not the obligation) to redeem the Securities at an amount specified in the applicable Pricing Supplement upon the occurrence of a Withholding Tax Event (as described in Condition 6(b) of the Securities), upon the occurrence of a Capital Event (as defined in Condition 6(d) of the Securities), upon the occurrence of a Tax Deductibility Event (as defined in Condition 6(e) of the Securities), upon the occurrence of an Accounting Event (as defined in Condition 6(f) of the Securities), upon the occurrence of an Cessation or Suspension of Trading Event (as defined in Condition 6(h) of the Securities), or at the option of the Issuer where the aggregate principal amount of the Securities outstanding is less than 15 per cent. of the aggregate principal amount originally issued (as further set out in Condition 6(g) of the Securities), and details of each case as further set out in Condition 6 of the Securities.

The date on which the Issuer elects to redeem the Securities may not accord with the preference of individual Securityholders. This may be disadvantageous to Securityholders in light of market conditions or the individual circumstances of a Securityholders. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Securities.

There are limited remedies for default under the Securities

Any scheduled distribution will not be due if the Issuer elects to defer that distribution pursuant to the Conditions of the Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-Up (as defined in the Conditions of the Securities) proceedings is limited to circumstances where payment has become due and the Issuer fails to make the payment when due. Subject to the Conditions of the Securities, the only remedy against the Issuer available to any Securityholder for recovery of amounts in respect of the Securities following the occurrence of a payment default after any sum becomes due in respect of the Securities will be proving in such Winding-Up of the Issuer and/or claiming in the liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Securities.

The Issuer may raise or redeem other capital which affects the price of the Securities

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Securities. Similarly, subject to compliance with the Conditions of the Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Securities on a Winding-Up of the Issuer, the Guarantor, and may increase the likelihood of a deferral of distribution under the Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Securities and/or the ability of Securityholders to sell their Securities.

Tax treatment of the Securities is unclear

It is not clear whether any particular tranche of the Securities (the "**Relevant Tranche of the Securities**") will be regarded as "debt securities" by IRAS for the purposes of the ITA, whether distribution payments made under each tranche of the Securities will be regarded as interest payable on indebtedness, and whether the tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in "*Taxation – Singapore Taxation*") would apply to the Relevant Tranche of the Securities.

If the Relevant Tranche of the Securities is not regarded as "debt securities" for the purposes of the ITA, distribution payments made under each tranche of the Securities are not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. In addition, in the event that the IRAS does not regard the Relevant Tranche of the Securities issued by the Issuer as "debt securities" for Singapore income tax purposes, payments in respect of such Relevant Tranche of the Securities (including, without limitation, the distributions, any Optional Distribution, Arrears of Distribution and any Additional Distribution Amounts) may be subject to Singapore income tax, and the Issuer may be obliged (in certain circumstances) to withhold or deduct tax on such payments. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from such payments in respect of such Relevant Tranche of the Securities in connection therewith for or on account of any such taxes or duties.

Investors and holders of the Relevant Tranche of the Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Securities.

The Subordinated Securities are unsecured and subordinated obligations

The obligations of the Issuer under the Subordinated Securities will constitute unsecured and subordinated obligations of the Issuer. In the event of the Winding-Up of the Issuer, the rights and the claims of the holders of Subordinated Securities to receive payments of principal and of distribution in respect of the Subordinated Securities will rank senior to the holders of all Junior Obligations and at least *pari passu* with the claims of any Parity Creditors or holders of all Parity Obligations, but subordinated and junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of any Senior Securities and/or Notes. In the event of a shortfall of funds or a Winding-Up, there is a real risk that an investor in the Subordinated Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued Distribution.

Further, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Securities on a winding-up of the Issuer and/or may increase the likelihood of a non-payment under the Subordinated Securities.

Risks related to the market generally

Set out below is a brief description of the material market risks, including liquidity risk, exchange rate risk, interest-rate risk, inflation risk and credit risk:

An active secondary market in respect of the Instruments may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Instruments

There can be no assurance regarding the future development of the market for Instruments issued under the Programme or the ability of the Noteholders and Securityholders, or the price at which the Noteholders or Securityholders may be able, to sell their Instruments (as the case may be). The Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. If the Instruments are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. If the Instruments are trading at a discount, investors may not receive a favourable price for their Notes or, as the case may be, their Securities, and in some circumstances, investors may not be able to sell their Notes or, as the case may be, their Securities at their fair market value or at all.

Liquidity may have a severely adverse effect on the market value of the Instruments. Although issuing additional Instruments may increase their liquidity, there can be no assurance that the price of such Instruments will not be adversely affected by the issuance.

Although an application will be made for the listing and quotation of Instruments issued under the Programme agreed at or before issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be approved, that any particular Tranche of the Instruments will be so admitted or that an active trading market will develop or that disruptions will not occur for that particular Tranche of Instruments.

If an investor holds Instruments which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Instruments could result in an investor not receiving payments on those Instruments

The Issuer will pay principal and interest on the Notes and principal and distributions on the Securities in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Instruments, (2) the Investor's Currency-equivalent value of the principal payable on the Instruments and (3) the Investor's Currency-equivalent market value of the Instruments.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Instruments. As a result, investors may receive less interest, distribution or principal than expected, or no interest, distribution or principal.

The value of Fixed Rate Instruments may be adversely affected by movements in market interest rates

Investment in Fixed Rate Instruments involves the risk that if market interest rates subsequently increase above the rates paid on the Fixed Rate Instruments, this will adversely affect the value of the Fixed Rate Instruments.

Fluctuation of the market value of the Instruments under the Programme

Trading prices of the Instruments may be influenced by numerous factors, including the market for similar securities, the operating results and/or financial condition of the Issuer, the Guarantor, the Group, and/or its Associated Companies, and political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, the Guarantor, the Group and/or Associated Companies generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, the Guarantor, the Group, and/or Associated Companies operate or have business dealings could have a material adverse effect on the operating results, business, financial performance and/or the financial condition of the Issuer, the Guarantor, the Group and/or its Associated Companies.

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of any Series or Tranche of the Instruments.

Inflation risk

Noteholders or Securityholders may suffer erosion on the return of their investments due to inflation. Noteholders or Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Instruments. An unexpected increase in inflation could reduce the actual returns, as the principal repayment and interest payments or distributions on the Instruments may not keep pace with inflation.

Credit ratings assigned to the Issuer, the Guarantor, the Programme or any Instruments may not reflect all the risks associated with an investment in those Instruments

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Guarantor, the Programme or the Instruments. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. Credit rating agencies may also revise or replace entirely the methodology applied to assign credit ratings. There is no assurance that a credit rating will remain for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the relevant credit rating agency if in its judgement circumstances in the future so warrant or if a different methodology is applied to assign such credit ratings. Investors should consult their own financial or other professional adviser before making any decisions based on credit ratings. Neither the Issuer nor the Guarantor has any obligation under the Instruments to inform holders of the Instruments of any such revision, downgrade, suspension or withdrawal. A revision, downgrade, suspension or withdrawal at any time of the credit rating assigned to the Issuer, the Guarantor, the Programme or the Instruments may adversely affect the market price or liquidity of the Instruments. Moreover, any such assigned credit ratings do not reflect the potential impact related to market or other risks discussed herein in relation to the Instruments.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without coupons attached. Notes (whether in bearer or registered form) will be issued outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**").

Bearer Notes

Each Tranche of Bearer Notes will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or CDP.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note or Definitive Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

So long as Notes are represented by the Temporary Global Note and the Temporary Global Note is held by the CDP, transfers of beneficial interests in the Temporary Global Note will be effected only through records maintained by the CDP.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent or Non-CDP Issuing and Paying Agent, as applicable; and

(ii) receipt by the Principal Paying Agent or Non-CDP Issuing and Paying Agent, as applicable, of a certificate or certificates of non-U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes (as defined in the Trust Deed) not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent or Non-CDP Issuing and Paying Agent, as applicable, within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(b) at any time, if so specified in the relevant Pricing Supplement; or

(c) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events (each, an "**Exchange Event**") occurs

    (i) in the case of Notes cleared through Euroclear and/or Clearstream, Luxembourg, that:

        (A) both Euroclear and Clearstream, Luxembourg have closed for business for a continuous period of 14 days (other than by reason of legal holidays) or have announced an intention permanently to cease business; or

        (B) the Issuer has or will become subject to adverse tax consequences which would not be suffered if the Bearer Notes represented by the Permanent Global Note were represented in definitive form and a certificate to such effect signed by an officer of the Issuer is given to the Trustee.

(ii) in the case of Notes cleared through CDP, that:

(A) an Event of Default (as defined in Condition 13 of the Notes) or analogous event entitling an Accountholder (as defined in the Trust Deed) or the Trustee to declare the Notes to be due and payable as provided in the Conditions of the Notes has occurred and is continuing;

(B) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise);

(C) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or

(D) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

The Issuer will promptly give notice to Noteholders in accordance with Condition 20 of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note), or, as the case may be, the Common Depositary acting on their behalf, may give notice to the Principal Paying Agent or the Non-CDP Issuing and Paying Agent (as the case may be) requesting exchange and, in the event of the occurrence of an Exchange Event as described in (a)(iii) above, the Issuer may also give notice to the Non-CDP Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent or the Non-CDP Issuing and Paying Agent, as the case may be.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code*."

Direct Rights in respect of Bearer Global Notes cleared through CDP

Where a Bearer Global Note is cleared through CDP, if there shall occur any Event of Default entitling the Trustee to declare all of the Notes to be due and payable, as provided in the Conditions, the Trustee may exercise the right to declare the Notes represented by such Bearer Global Note due and payable in the circumstances described in the Conditions by stating in a notice given to the Issuer (the "**default notice**") the principal amount (which may be less than the outstanding principal amount of the Bearer Global Note) of Notes which is being declared due and payable.

Following the giving of the default notice, the holder of the Notes represented by the Bearer Global Note cleared through CDP may (subject as provided below) elect that direct rights ("**Direct Rights**") under the provisions of the CDP Deed of Covenant (as defined in the Conditions) shall come into effect in respect of a principal amount of Notes up to the aggregate principal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Issuing and Paying Agent and presentation of the Bearer Global Note to or to the order of the CDP Issuing and Paying Agent for reduction of the principal amount of Notes represented by the Bearer Global Note by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Bearer Global Note of the principal amount of Notes in respect of which Direct Rights have arisen under the CDP Deed of Covenant. Upon each such notice being given, the Bearer Global Note shall become void to the extent of the principal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to persons outside the United States, will be represented by a Global Note Certificate. Beneficial interests in a Global Note Certificate may not be offered or sold within the United States and may not be held otherwise than through Euroclear or Clearstream, Luxembourg or CDP.

Global Note Certificate will be deposited with a Common Depositary for, and registered in the name of a common nominee of, Euroclear or Clearstream, Luxembourg or deposited with CDP or its nominee, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Global Note Certificate will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Individual Note Certificate in fully registered form.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 3(d) of the Notes) as the registered holder of such Global Note Certificate. None of the Issuer, the Guarantor, the Trustee, any Paying Agent, the Non-CDP Registrar or the CDP Registrar will have any responsibility or liability for any aspect of the records relating to, or payments or deliveries made on account of, beneficial ownership interests in the Global Note Certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 11(f) of the Notes) on the fifteenth day before the due date for payment in the manner provided in that Condition.

Global Note Certificate exchangeable for Individual Note Certificates

If the relevant Pricing Supplement specifies the form of Notes as being "Global Note Certificate exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Note Certificate which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(ii) at any time, if so specified in the relevant Pricing Supplement; or

(iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Global Note Certificate", then if either of the following events (each, an "**Exchange Event**") occurs:

(a) in the case of Notes cleared through Euroclear and/or Clearstream, Luxembourg, if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

(b) in the case of Notes cleared through CDP:

(1) an Event of Default or analogous event entitling an Accountholder or the Trustee to declare the Notes to be due and payable as provided in the Conditions of the Notes has occurred and is continuing;

(2) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise);

(3) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or

(4) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered holder, Euroclear and/or Clearstream Luxembourg or CDP, as applicable, of the Global Note Certificate to the Non-CDP Registrar or CDP Registrar, as applicable, of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Note Certificate at the specified office of the Non-CDP Registrar or CDP Registrar, as applicable.

Such exchange will be effected in accordance with the provisions of the Trust Deed and the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Non-CDP Registrar or CDP Registrar, as applicable, may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

The Issuer will promptly give notice to Noteholders in accordance with Condition 20 of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg, or as the case may be, a nominee for the Common Depositary acting on their behalf (acting on the instructions of any holder of an interest in such Global Note Certificate), may give notice to the Non-CDP Registrar or CDP Registrar, as applicable, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (a)(iii) above, the Issuer may also give notice to the Non-CDP Registrar or the CDP Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Non-CDP Registrar, or the CDP Registrar, as the case may be (the last date for such exchange, the "**Registered Note Exchange Date**").

Transfer of Interests

Interests in a Global Note Certificate may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Note Certificate. No beneficial owner of an interest in a Global Note Certificate will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear or Clearstream, Luxembourg and CDP, in each case to the extent applicable.

Direct Rights in respect of Global Note Certificates cleared through CDP

Where a Global Note Certificate is cleared through CDP, if there shall occur any Event of Default entitling the Trustee to declare all of the Notes to be due and payable, as provided in the Conditions, the Trustee may exercise the right to declare the Notes represented by such Global Note Certificate due and payable in the circumstances described in the Conditions by stating in a default notice given to the Issuer the principal amount (which may be less than the outstanding principal amount of the Global Note Certificate) of Notes which is being declared due and payable.

Following the giving of the default notice, the holder of the Notes represented by the Global Note Certificate cleared through CDP may (subject as provided below) elect that Direct Rights under the provisions of the CDP Deed of Covenant shall come into effect in respect of a principal amount of Notes up to the aggregate principal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Issuing and Paying Agent and the CDP Registrar and presentation of the Global Note Certificate to or to the order of the CDP Registrar for reduction of the principal amount of Notes represented by the Global Note Certificate by such amount as may be stated in such notice and (i) by endorsement of the appropriate schedule to the Global Note Certificate and (ii) by entry by or on behalf of the CDP Registrar in the Register of the principal amount of Notes in respect of which Direct Rights have arisen under the CDP Deed of Covenant. Upon each such notice being given, Global Note Certificate shall become void to the extent of the principal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Registered Note Exchange Date unless the holder elects in such notice that the transfer for such Notes shall no longer take place.

General

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or CDP, each person (other than Euroclear and/or Clearstream, Luxembourg or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or CDP, as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg or CDP, as the case may be, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Guarantor, the Trustee and the relevant Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest, and in the case of Notes cleared through CDP, premium, redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuer through CDP, on such nominal amount of such Notes, for which purposes the bearer of the relevant Bearer Global Note or the registered holder of the relevant Global Note Certificate shall be treated by the Issuer, the Guarantor, the Trustee and any relevant Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.

FORM OF THE SECURITIES

The Securities of each Series will be in either bearer form, with or without distribution coupons attached, or registered form, without coupons attached. Securities (whether in bearer or registered form) will be issued outside the United States in reliance on Regulation S.

Bearer Securities

Each Tranche of Bearer Securities will be in bearer form and will be initially issued in the form of a temporary global perpetual security (a "**Temporary Global Security**") or, if so specified in the applicable Pricing Supplement, a permanent global perpetual security (a "**Permanent Global Security**" and, together with the Temporary Global Securities, each a "**Bearer Global Security**") which, will be delivered on or prior to the original issue date of the Tranche to (i) a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg or (ii) CDP.

Whilst any Bearer Global Security is represented by a Temporary Global Security, payments of principal, distribution (if any) and any other amount payable in respect of the Securities due prior to the Exchange Date (as defined in the Trust Deed) will be made against presentation of the Temporary Global Security only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Global Security are not United States persons or persons who have purchased for resale to any United States person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and/or CDP and (in the case of a Temporary Global Security delivered to a Common Depositary for Euroclear and Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg has given a like certification (based on the certifications it has received) to the Principal Paying Agent or Non-CDP Issuing and Paying Agent.

Temporary Global Security exchangeable for Permanent Global Security

If the relevant Pricing Supplement specifies the form of Securities as being "Temporary Global Security exchangeable for a Permanent Global Security", then the Securities will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Security, without distribution coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Securities upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Security unless exchange for interests in the Permanent Global Security or Definitive Security is improperly withheld or refused. In addition, interest payments in respect of the Securities cannot be collected without such certification of non-U.S. beneficial ownership. So long as Securities are represented by the Temporary Global Security and the Temporary Global Security is held by the CDP, transfers of beneficial interests in the Temporary Global Security will be effected only through records maintained by the CDP.

Whenever any interest in the Temporary Global Security is to be exchanged for an interest in a Permanent Global Security, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Security, duly authenticated to the bearer of the Temporary Global Security or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Security in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Security to or to the order of the Principal Paying Agent or the Non-CDP Issuing and Paying Agent, as applicable; and

(ii) receipt by the Principal Paying Agent or Non-CDP Issuing and Paying Agent, as applicable, of a certificate or certificates of non-U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

Temporary Global Security exchangeable for Definitive Securities

If the relevant Pricing Supplement specifies the form of Securities as being "Temporary Global Security exchangeable for Definitive Security" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Securities will initially be in the form of a Temporary Global Security which will be exchangeable, in whole but not in part, for Definitive Securities (as defined in the Trust Deed) not earlier than 40 days after the issue date of the relevant Tranche of the Securities.

If the relevant Pricing Supplement specifies the form of Securities as being "Temporary Global Security exchangeable for Definitive Securities" and also specifies that the TEFRA D Rules are applicable, then the Securities will initially be in the form of a Temporary Global Security which will be exchangeable, in whole or in part, for Definitive Securities not earlier than 40 days after the issue date of the relevant Tranche of the Securities upon certification as to non-U.S. beneficial ownership. Distribution payments in respect of the Securities cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Security is to be exchanged for Definitive Securities, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Securities, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Security to the bearer of the Temporary Global Security against the surrender of the Temporary Global Security to or to the order of the Principal Paying Agent or Non-CDP Issuing and Paying Agent, as applicable, within 30 days of the bearer requesting such exchange.

Permanent Global Security exchangeable for Definitive Securities

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Security exchangeable for Definitive Securities", then the Securities will initially be in the form of a Permanent Global Security which will be exchangeable in whole, but not in part, for Definitive Securities:

(a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(b) at any time, if so specified in the relevant Pricing Supplement; or

(c) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Security", then if either of the following events (each, an "**Exchange Event**") occurs:

 (i) in the case of Securities cleared through Euroclear and/or Clearstream, Luxembourg, that:

  (A) both Euroclear and Clearstream, Luxembourg have closed for business for a continuous period of 14 days (other than by reason of legal holidays) or have announced an intention permanently to cease business; or

  (B) the Issuer has or will become subject to adverse tax consequences which would not be suffered if the Bearer Securities represented by the Permanent Global Security were represented in definitive form and a certificate to such effect signed by an officer of the Issuer is given to the Trustee.

(ii) in the case of Securities cleared through CDP, that:

(A) an Enforcement Event (as defined in Condition 10(b) of the Securities) or analogous event entitling an Accountholder (as defined in the Trust Deed) or the Trustee to declare the Securities to be due and payable as provided in the Conditions of the Securities has occurred and is continuing;

(B) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise);

(C) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or

(D) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

Whenever the Permanent Global Security is to be exchanged for Definitive Securities, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Securities, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of Securities represented by the Permanent Global Security to the bearer of the Permanent Global Security against the surrender of the Permanent Global Security to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

The Issuer will promptly give notice to Securityholders in accordance with Condition 16 of the Securities if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Security), or, as the case may be, the Common Depositary acting on their behalf, may give notice to the Principal Paying Agent or the Non-CDP Issuing and Paying Agent (as the case may be) requesting exchange and, in the event of the occurrence of an Exchange Event as described above, the Issuer may also give notice to the Non-CDP Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent or the Non-CDP Issuing and Paying Agent, as the case may be.

Legend concerning United States persons

In the case of any Tranche of Bearer Securities having a maturity of more than 365 days, the Securities in global form, the Securities in definitive form and any receipts, talons and distribution coupons appertaining thereto will bear a legend to the following effect:

"*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code*."

Direct Rights in respect of Bearer Global Securities cleared through CDP

Where a Bearer Global Security is cleared through CDP, if there shall occur any Enforcement Event as provided in the Conditions, the Trustee may exercise its right to institute proceedings for the Winding-Up of the Issuer and/or prove in the Winding-Up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

Following the exercise of such rights, the holder of the Securities represented by the Bearer Global Security cleared through CDP may (subject as provided below) elect that direct rights ("**Direct Rights**") under the provisions of the CDP Deed of Covenant (as defined in the Conditions) shall come into effect in respect of a principal amount of Securities up to the aggregate principal amount in respect of which such rights were exercised. Such election shall be made by notice to the CDP Issuing and Paying Agent and presentation of the Bearer Global Security to or to the order of the CDP Issuing and Paying Agent for reduction of the principal amount of Securities represented by the Bearer Global Security by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Bearer Global Security of the principal amount of Securities in respect of which Direct Rights have arisen under the CDP Deed of Covenant. Upon each such notice being given, the Bearer Global Security shall become void to the extent of the principal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Exchange Date unless the holder elects in such notice that the exchange for such Securities shall no longer take place.

Registered Securities

The Registered Securities of each Tranche offered and sold in reliance on Regulation S, which will be sold to persons outside the United States, will be represented by a global perpetual security in registered form (a "**Global Security Certificate**", together with any Bearer Global Security, the "**Global Securities**"). Beneficial interests in a Global Security Certificate may not be offered or sold within the United States and may not be held otherwise than through Euroclear or Clearstream, Luxembourg or CDP.

Global Security Certificates will be deposited with a Common Depositary for, and registered in the name of a common nominee of, Euroclear or Clearstream, Luxembourg or deposited with CDP or its nominee, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Global Security Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Individual Security Certificate in fully registered form.

Payments of principal, distribution or any other amount in respect of the Registered Securities in definitive form will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 3(d) of the Securities) as the registered holder of such Global Security Certificates. None of the Issuer, the Guarantor, the Trustee, any Paying Agent, the Non-CDP Registrar or the CDP Registrar will have any responsibility or liability for any aspect of the records relating to, or payments or deliveries made on account of, beneficial ownership interests in the Global Security Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, distribution or any other amount in respect of the Registered Securities in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 11(f) of the Securities) on the fifteenth day before the due date for payment in the manner provided in that Condition.

Global Security Certificate exchangeable for Individual Security Certificates

If the relevant Pricing Supplement specifies the form of Securities as being "Global Security Certificate exchangeable for Individual Security Certificate", the Securities will initially be in the form of a Global Security Certificate which will be exchangeable, in whole (but not in part), for Individual Security Certificates:

(i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(ii) at any time, if so specified in the relevant Pricing Supplement; or

(iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Global Security Certificate", then if either of the following events (each, an "**Exchange Event**") occurs:

(a) in the case of Securities cleared through Euroclear and/or Clearstream, Luxembourg, if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

(b) in the case of Securities cleared through CDP:

(1) an Event of Default or analogous event entitling an Accountholder or the Trustee to declare the Securities to be due and payable as provided in the Conditions of the Securities has occurred and is continuing;

(2) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise);

(3) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or

(4) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

Whenever a Global Security Certificate is to be exchanged for Individual Security Certificates, the Issuer shall procure that Individual Security Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Security Certificate within five business days of the delivery, by or on behalf of the registered holder, Euroclear and/or Clearstream Luxembourg or CDP, as applicable, of the Global Security Certificate to the Non-CDP Registrar or CDP Registrar, as applicable, of such information as is required to complete and deliver such Individual Security Certificates against the surrender of the Global Security Certificate at the specified office of the Non-CDP Registrar or CDP Registrar, as applicable.

Such exchange will be effected in accordance with the provisions of the Trust Deed and the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Non-CDP Registrar or CDP Registrar, as applicable, may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

The Issuer will promptly give notice to Securityholders in accordance with Condition 16 of the Securities if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Security), or, as the case may be, the Common Depositary acting on their behalf, may give notice to the Non-CDP Registrar or the CDP Registrar (as the case may be) requesting exchange and, in the event of the occurrence of an Exchange Event as described above, the Issuer may also give notice to the Non-CDP Registrar or the CDP Registrar requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Non-CDP Registrar or CDP Registrar, as the case may be (the last date for such exchange, the "**Registered Note Exchange Date**").

Transfer of Interests

Interests in a Global Security Certificate may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Security Certificate. No beneficial owner of an interest in a Global Security Certificate will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear or Clearstream, Luxembourg and CDP, in each case to the extent applicable.

Direct Rights in respect of Global Security Certificates cleared through CDP

Where a Global Security Certificate is cleared through CDP, if there shall occur any Enforcement Event as provided in the Conditions, the Trustee may exercise its right to institute proceedings for the Winding-Up of the Issuer and/or prove in the Winding-Up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

Following the exercise of such rights, the holder of the Securities represented by the Global Security Certificate cleared through CDP may (subject as provided below) elect that Direct Rights under the provisions of the CDP Deed of Covenant shall come into effect in respect of a principal amount of Securities up to the aggregate principal amount in respect of which such default notice has been given.

Such election shall be made by notice to the CDP Issuing and Paying Agent and the CDP Registrar and presentation of the Global Security Certificate to or to the order of the CDP Registrar for reduction of the principal amount of Securities represented by the Global Security Certificate by such amount as may be stated in such notice and (i) by endorsement of the appropriate schedule to the Global Security Certificate and (ii) by entry by or on behalf of the CDP Registrar in the Register of the principal amount of Securities in respect of which Direct Rights have arisen under the CDP Deed of Covenant.

Upon each such notice being given, the Global Security Certificate shall become void to the extent of the principal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Registered Security Exchange Date unless the holder elects in such notice that the transfer for such Securities shall no longer take place.

General

For so long as any of the Securities is represented by a Global Security held on behalf of Euroclear and/or Clearstream, Luxembourg or CDP, each person (other than Euroclear and/or Clearstream, Luxembourg or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or CDP, as the case may be, as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg or CDP, as the case may be, as to the nominal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Guarantor, the Trustee and the relevant Agents as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or distribution, and in the case of Securities cleared through CDP, premium, redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuer through CDP, on such nominal amount of such Securities, for which purposes the bearer of the relevant Bearer Global Security or the registered holder of the relevant Global Security Certificate shall be treated by the Issuer, the Guarantor, the Trustee and any relevant Agent as the holder of such nominal amount of such Securities in accordance with and subject to the terms of the relevant Global Security and the expressions "**Securityholder**" and "**holder of Securities**" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Securityholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.

FORM OF PRICING SUPPLEMENT IN RELATION TO THE NOTES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II[; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**")]. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA) to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA[; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA]. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**EU MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**EU MiFID II**")]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) [and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].]

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States [or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**"))] except in certain transactions exempt from the registration requirements of the Securities Act.

Pricing Supplement dated [●]

SATS TREASURY PTE. LTD.

LEI Code: [●]

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*] under the U.S.$3,000,000,000 Guaranteed Multicurrency Debt Issuance Programme

Guaranteed by

SATS LTD.

This document constitutes the Pricing Supplement relating to the issue of the Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Note Conditions**") set forth in the offering circular dated 17 November 2023 (the "**Offering Circular**") [and the supplemental Offering Circular dated [●]]. This pricing supplement contains the final terms of the Notes described herein and must be read in conjunction with the Offering Circular [and the supplemental Offering Circular dated [*date*]] in order to obtain all relevant information. The Offering Circular has been published on 17 November 2023.

The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular with an earlier date and the relevant terms and conditions from that offering circular with an earlier date were incorporated by reference in the Offering Circular.

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Note Conditions**") set forth in the offering circular dated 17 November 2023 incorporated by reference in the offering circular dated [*current date*] (the "**Offering Circular**") [and the supplemental Offering Circular [*date*]]. This Pricing Supplement contains the final terms of the Notes described herein and must be read in conjunction with the Offering Circular dated [*current date*] [and the supplemental Offering Circular dated [●]] in order to obtain all relevant information. The Offering Circular has been published on [*current date*], save in respect of the Note Conditions which are set forth in the offering circular dated 17 November 2023 and are incorporated by reference in the Offering Circular.]

[Where interest, discount income, early redemption fee or redemption premium is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 (the "**ITA**") shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Pricing Supplement.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

1.	(i)	Issuer:	SATS Treasury Pte. Ltd.
	(ii)	Guarantor:	SATS Ltd.
2.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	[(iii)	Date on which the Notes become fungible]:	[Not Applicable]/[The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*identify earlier tranches of Notes*] on [[●]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below [which is expected to occur on or about [●]].]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		[●]
	(i)	Series:	[●]
	(ii)	Tranche:	[●]

5.	(i)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
	(ii)	Net Proceeds	[●] [(*Required only for listed issues*)]
6.	(i)	Specified Denominations:	[●]
	(ii)	Calculation Amount:	[●]
7.	(i)	Trade Date:	[●]
	(ii)	Issue Date:	[●]
	(iii)	Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8.	Maturity Date:		[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*] [*If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.*]
9.	Interest Basis:		[[●] per cent. Fixed Rate] [[*Specify reference rate*] +/- [●] per cent. Floating Rate] [Zero Coupon] [Other (*Specify*)] (further particulars specified below)
10.	Redemption/Payment Basis:		[Redemption at par] [Other (*Specify*)] (*If Notes are being cleared through Clearstream, Luxembourg or Euroclear they will require a minimum of five days' notice for the exercise of any Issuer's Redemption Option*.)

11.	Change of Interest or Redemption/Payment Basis:	[*Specify details of any provision for convertibility of the Notes into another interest or redemption/payment basis*] [Not Applicable]
12.	Put/Call Options:	[Redemption for tax reasons] [Redemption at the option of the Issuer] [Redemption at the option of the Noteholders] [Redemption upon Cessation or Suspension of Trading Event] [Redemption in the case of minimal outstanding amount] [(further particulars specified below)] [Not Applicable] (*If Notes are being cleared through Clearstream, Luxembourg or Euroclear, Clearstream, Luxembourg or Euroclear will require a minimum of 15 business days' notice for the exercise of any Noteholders' Redemption Option.*)
13.	[Date of [Board] approval for issuance of Notes] and Guarantee respectively obtained:	[●] for the issuance of the Notes and [●] for the Guarantee (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)
14.	Listing:	[SGX-ST/Other (*specify*)/None] (*For Notes to be listed, insert the expected effective listing date of the Notes*)
15.	Calculation Agent:	[●]/[Not applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly/other (*specify*)] in arrear]

	(ii)	Interest Payment Date(s):	[●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
	(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v)	Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/Actual/365 (Fixed)/*specify other*]
	(vi)	Determination Dates:	[[●] in each year (insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))]
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
17.	**Floating Rate Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[●]
	(ii)	Interest Period End Date:	[●]
	[(iii)	Specified Period:	[●]] (*Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)
	[(iv)	Specified Interest Payment Dates:	[●]] (*Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable"*)

(v)	First Interest Payment Date:	[●]
(vi)	Business Day Convention:	[[FRN Convention/Floating Rate Convention/Eurodollar Convention]/ Following Business Day Convention/[Modified Following Business Day Convention/Modified Business Day Convention]/Preceding Business Day Convention/No Adjustment/other (*give details*)] [Not Applicable]
(vii)	Additional Business Centre(s):	[Not Applicable/*give details*]
(viii)	Reference Banks:	[●]
(ix)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (*give details*)]
(x)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent):	[[*Name*] shall be the Calculation Agent (*no need to specify if the Principal Paying Agent is to perform this function*)]
(xi)	Screen Rate Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Reference Rate:	[●]
	• Observation Method:	[Lag/Observation Shift]
	• Lag Period:	[5/[●] TARGET Settlement Days/U.S. Government Securities Business Days/ London Banking Days/Not Applicable]
	• Observation Shift Period:	[5/[●] TARGET Settlement Days/U.S. Government Securities Business Days/ London Banking Days/Not Applicable] (*NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent*)
	• Index Determination:	[Applicable/Not Applicable]
	• SOFR Compounded Index:	[Applicable/Not Applicable]
	• Relevant Decimal Place:	[●]/[7] (*unless otherwise specified in the Pricing Supplement, be the seventh decimal place in the case of the SOFR Compounded Index*)

• Relevant Number of Index Days:	[●]/[5] (*unless otherwise specified in the Pricing Supplement, the Relevant Number shall be 5*)
• Interest Determination Date(s):	[●]
• Relevant Screen Page:	[●]
• Relevant Time:	[●]
• Relevant Financial Centre:	[●]
• SORA Benchmark:	[Compounded Daily SORA/Compounded Index SORA]
• Calculation method for Compounded Daily SORA:	[SORA Lockout/SORA Lookback/SORA Backward Shifted Observation Period/ SORA Payment Delay] (*Only applicable where the Reference Rate is Compounded Daily SORA*)
• SORA Rate Cut-Off Date:	[Not Applicable]/[●] Singapore Business Days (*Only applicable where the calculation method is SORA Lockout or SORA Payment Delay*)
• Suspension Period:	[Not Applicable]/[●] (*Only applicable where the calculation method is SORA Lockout)*
• Observation Period:	[Not Applicable]/[●] (*Only applicable where the calculation method is SORA Lookback or SORA Backward Shifted Observation Period)*
• $SORA_{i-x\ SBD}$:	[Not Applicable]/[●] (*Only applicable where the calculation method is SORA Lookback)*
• Interest Payment Delay:	[Not Applicable]/[●] (*Only applicable where the calculation method is SORA Payment Delay)*
• SORA Index $_{Start}$:	[Not Applicable]/[●] Singapore Business Day(s) (*Only applicable where Reference Rate is SORA Index Average)*
• SORA Index $_{End}$:	[Not Applicable]/[●] Singapore Business Day(s) (*Only applicable where Reference Rate is SORA Index Average)*

(xii)	ISDA Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
•	ISDA Definitions:	[2006 ISDA Definitions/2021 ISDA Definitions]
•	Floating Rate Option:	[●]
•	Designated Maturity:	[●]
•	Reset Date:	[●]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period]
•	Compounding:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
•	Compounding Method:	[Compounding with Lookback Lookback: [●] Applicable Business Days][1] [Compounding with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Compounding with Lockout Lockout: [●] Lockout Period Business Days Lockout Period Business Days: [●]/[Applicable Business Days]]
•	Averaging:	[Applicable/Not Applicable]] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
•	Averaging Method:	[Averaging with Lookback Lookback: [●] Applicable Business Days] [Averaging with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business days Observation Period Shift Additional Business Days: [●]/[Not Applicable]]

1 This field should be completed and the parties may wish to refer to the Compounding/Averaging Matrix. As at December 2021 the number of Applicable Business Days for Compounding with Lookback in the Compounding/Averaging Matrix has not yet been populated however, the default designation is 5 Applicable Business Days in accordance with the 2021 ISDA Definitions. Note that when populated the Compounding/Averaging Matrix may not reflect the default designation.

		[Averaging with Lockout Lookout: [●] Lockout Period Business Days Lockout Period Business Days: [●]/[Applicable Business Days]]
	• Index Provisions:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Index Method:	Compounded Index Method with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business days Observation Period Shift Additional Business Days: [●]/[Not Applicable]
(xiii)	[Linear Interpolation:	[Not Applicable]/[Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(xiv)	Margin(s):	[+/-] [●] per cent. per annum
(xv)	Minimum Rate of Interest:	[●] per cent. per annum
(xvi)	Maximum Rate of Interest:	[●] per cent. per annum
(xvii)	Day Count Fraction:	[●]
(xviii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]

18.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Accrual Yield:	[●] per cent. per annum
(ii)	Reference Price:	[●]
(iii)	Day Count Fraction in relation to Early Redemption Amount:	[30/360/Actual/Actual (ICMA/ISDA)/other]
(iv)	Any other formula/basis of determining amount payable:	[*Consider whether it is necessary to specify a Day Count Fraction for the purposes of Note Condition 9(i)*]

PROVISIONS RELATING TO REDEMPTION

19.	Call Option:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s) (Call):	[●]
(ii)	Optional Redemption Amount (Call) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount [(in the case of the Optional Redemption Dates falling on [●]/[in the period from and including [*date*]]
(iii)	Notice period (if other than as set out in the Conditions):	[●] *(If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or the Trustee.)*
(iv)	If redeemable in part:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
20.	Put Option:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s) (Put):	[●]
(ii)	Optional Redemption Amount (Put) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount

	(iii)	Notice period (if other than as set out in the Conditions):	[●] (*If Notes are being cleared through Clearstream or Euroclear, Clearstream or Euroclear will require a minimum of five business days' notice for the exercise of any Issuer's Redemption Option.* *If Notes are being cleared through Clearstream or Euroclear, Clearstream or Euroclear will require a minimum of 15 business days' notice for the exercise of any Noteholders' Redemption Option.*) *(If setting notice periods which are different from those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
21.	Redemption in the case of minimal outstanding amount		[Yes/No] [*Specify if Notes can be redeemed on any date(s) other than Interest Payment Dates in accordance with the Conditions*]
22.	**Final Redemption Amount**		[●] per Calculation Amount
23.	**Early Redemption Amount**		[Not Applicable
	(i)	Early Redemption Amount(s) per Calculation Amount payable on redemption for tax reasons or on redemption upon a cessation or suspension of trading event or redemption in the case of minimal outstanding amount or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[[●]/[Par] per Calculation Amount/as set out in the Note Conditions (*Specify the Early Redemption Amount (Tax) or Early Redemption Amount (Cessation or Suspension of Trading Event) or Early Redemption Amount (Minimal Outstanding Amount) if different from the amount specified in the Notes and/or the Early Redemption Amount (Tax) or Early Redemption Amount (Cessation or Suspension of Trading Event) or Early Redemption Amount (Minimal Outstanding Amount) if different from the principal amount of the Notes*)]

(ii)	Early Termination Amount per Calculation Amount payable on mandatory redemption on event of default and/or the method of calculating the same (if required or if different from that set out in the Note Conditions):	[[●]/[Par] per Calculation Amount/as set out in the Note Conditions (*Specify the Early Termination Amount if different from the principal amount of the Notes or specify its method of calculation*)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of the Notes:	**Bearer Notes:** *(Bearer Notes issued in compliance with the D Rules must initially be represented by a Temporary Global Note.)* [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice /in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/in the limited circumstances specified in the Permanent Global Note] **Registered Notes**: [Global Note Certificate registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates on [●] days' notice /in the limited circumstances described in the Global Note Certificate]
25.	Principal Financial Centre:	[As specified in the Note Conditions/*give details*]
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details*.] [*Note that this paragraph relates to the date and place of payment, and not interest period end dates*]

27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]
28.	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions annexed to this Pricing Supplement apply]
29.	Consolidation provisions:	[The provisions in Note Condition 19 (*Further Issues*) [annexed to this Pricing Supplement] apply]
30.	Any applicable currency disruption/fallback provisions:	[Not Applicable/*give details*]
31.	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

32.	Method of distribution:	[Syndicated/Non-syndicated]
	(i) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii) Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
	(iii) If non-syndicated, name and address of Dealer:	[Not Applicable/*give name and address*]
33.	Total commission and concession:	[●] per cent. of the Aggregate Nominal Amount
34.	U.S. Selling Restrictions:	Regulation S Category [1/2] (*In the case of Bearer Notes*) – [TEFRA C RULES/TEFRA D RULES/TEFRA not applicable] (*In the case of Registered Notes*) – [TEFRA not applicable.] (*"TEFRA not applicable" may only be used for Registered Notes, or Bearer Notes with a maturity of 365 days or less (taking into account any unilateral rights to extend or roll over).)*
35.	Prohibition of sales to EEA retail investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

36.	Prohibition of sales to UK retail investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)
37.	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

38.	ISIN Code:	[●]
39.	Common Code:	[●]
40.	Any clearing system(s) other than Euroclear, Clearstream and/or the CDP and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
41.	Delivery:	Delivery [against/free of] payment
42.	Names and addresses of additional Paying Agent(s) (if any):	[●]/[Not Applicable]

GENERAL

43.	Private Bank Rebate/Commission:	[Applicable/Not Applicable] [(*To be included if a PB rebate is paid*) In addition, the Issuer (or in default, the Guarantor) has agreed with the Joint Lead Managers that it will pay a commission to certain private banks in connection with the distribution of the Notes to their clients. This commission will be based on the principal amount of the Notes so distributed, and may be deducted from the purchase price for the Notes payable by such private banks upon settlement.]
44.	The aggregate principal amount of the Notes issued has been translated into U.S. dollars at the rate of [●], producing a sum of (for Notes not denominated in U.S. dollars):	[Not Applicable/U.S.$[●]]

45.	[Ratings:	[Not Applicable]/[The Notes to be issued [have been/are expected to be] rated: [Standard & Poor's: [●]] [Moody's: [●]] [Fitch: [●]] [[Other]: [●]] (each, a "**Rating Agency**") If any Rating Agency shall not make a rating of the Notes publicly available, the Issuer shall select and substitute them with [●] or [●] and its successors.]
46.	Governing law	[English law]/[Singapore law]

[USE OF PROCEEDS

Give details if different from the "*Use of Proceeds*" section in the Offering Circular.]

[STABILISATION

In connection with this issue of the Notes, [*name(s) of Stabilisation Manager*] (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilising or over-allotment shall be conducted in accordance with all applicable laws and rules.]

[**INVESTMENT CONSIDERATIONS**

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue [and admission to trading on the [*specify relevant stock exchange/market*]] of the Notes described herein pursuant to the U.S.$3,000,000,000 Guaranteed Multicurrency Debt Issuance Programme of the Issuer.

[RESPONSIBILITY

The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the U.S.$3,000,000,000 Guaranteed Multicurrency Debt Issuance Programme, the Notes, the Guarantee, the Issuer, the Guarantor, its Subsidiaries, joint ventures and/or associated entities.]

The Issuer and the Guarantor each accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of **SATS Treasury Pte. Ltd.** as Issuer:

By: ....
Duly authorised

Name: ....

Title: ....

Signed on behalf of **SATS Ltd.** as Guarantor:

By: ....
Duly authorised

Name: ....

Title: ....

FORM OF PRICING SUPPLEMENT IN RELATION TO THE SECURITIES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Securities issued under the Programme.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II[; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**")]. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA[; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA]. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**EU MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**EU MiFID II**") [EU MiFID II]; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Securities (a "**distributor**")]/[distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Securities (a "**distributor**")]/[distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Securities are ["prescribed capital markets products"]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018)[and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].]

[The Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Securities in bearer form are subject to U.S. tax law requirements. The Securities may not be offered, sold or (in the case of Securities in bearer form) delivered within the United States [or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**"))] except in certain transactions exempt from the registration requirements of the Securities Act.]

Pricing Supplement dated [●]

SATS TREASURY PTE. LTD.

LEI Code: [●]

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Securities*] under the U.S.$3,000,000,000 Guaranteed Multicurrency Debt Issuance Programme

Guaranteed by

SATS LTD.

The document constitutes the Pricing Supplement relating to the issue of the Securities described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Securities (the "**Securities Conditions**") set forth in the offering circular dated 17 November 2023 (the "**Offering Circular**") [and the supplemental Offering Circular dated [*date*]]. This pricing supplement contains the final terms of the Securities described herein and must be read in conjunction with the Offering Circular [and the supplemental Offering Circular dated [*date*]] in order to obtain all relevant information. The Offering Circular has been published on 17 November 2023.

The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular with an earlier date and the relevant terms and conditions from that offering circular with an earlier date were incorporated by reference in the Offering Circular.

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Securities (the "**Securities Conditions**") set forth in the offering circular dated 17 November 2023 incorporated by reference in the offering circular dated [*current date*] (the "**Offering Circular**") [and the supplemental Offering Circular [*date*]]. This Pricing Supplement contains the final terms of the Securities described herein and must be read in conjunction with the Offering Circular dated [*current date*] [and the supplemental Offering Circular dated [●]] in order to obtain all relevant information. The Offering Circular has been published on [*current date*], save in respect of the Securities Conditions which are set forth in the offering circular dated 17 November 2023 and are incorporated by reference in the Offering Circular.]

The following alternative language applies if an advance ruling is sought from the Inland Revenue Authority of Singapore:

[An advance tax ruling will be requested from the Inland Revenue Authority of Singapore ("**IRAS**") to confirm, amongst other things, whether the IRAS would regard the Securities as "debt securities" for the purposes of the Income Tax Act 1947 of Singapore (the "**ITA**") and the distributions (including any Optional Distribution, Arrears of Distribution and any Additional Distribution Amounts) made under the Securities as interest payable on indebtedness such that holders of the Securities may enjoy the tax concessions and exemptions available for qualifying debt securities under the qualifying debt securities scheme, as set out in the section "Taxation – Singapore Taxation" of the Offering Circular **provided that** the relevant conditions are met.

There is no guarantee that a favourable ruling will be obtained from the IRAS. In addition, no assurance is given that the Issuer (as defined below) can provide all information or documents requested by IRAS for the purpose of the ruling request, and a ruling may not therefore be issued. If the Securities are not regarded as debt securities for the purposes of the ITA and/or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ.

No assurance, warranty or guarantee is given on the tax treatment to holders of the Securities in respect of the distributions payable to them (including any Optional Distribution, Arrears of Distribution and Additional Distribution Amounts). Investors should therefore consult their own accounting and tax advisers regarding the Singapore income tax consequence of their acquisition, holding and disposal of the Securities.

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium is derived from any of the Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions and if applicable) under the ITA, shall not apply if such person acquires such Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium derived from the Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Pricing Supplement.*]

1.	(i)	Issuer:	SATS Treasury Pte. Ltd.
	(ii)	Guarantor:	SATS Ltd.
2.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	[(iii)	Date on which the Securities become fungible:	[Not Applicable]/[The Securities shall be consolidated, form a single series and be interchangeable for trading purposes with the [*identify earlier tranches of Securities*] on [[●]/ the Issue Date/exchange of the Temporary Global Security for interests in the Permanent Global Security, as referred to in paragraph 32 below [which is expected to occur on or about [●]].]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		[●]
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued distribution from *[insert date]* (*in the case of fungible issues only, if applicable*)]
6.	(i)	Specified Denominations:	[●]
	(ii)	Calculation Amount:	[●]
7.	(i)	Trade Date:	[●]
	(ii)	Issue Date:	[●]
	(iii)	Distribution Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8.	Distribution Basis:		[[●] per cent. Fixed Rate] (see paragraph [12/13/14] below)
9.	Put/Call Options:		[Redemption for tax reasons] [Redemption at the option of the Issuer] [Redemption upon a Capital Event]

		[Redemption upon a Tax Deductibility Event]
		[Redemption upon an Accounting Event]
		[Redemption in the case of minimal outstanding amount]
		[Redemption upon a Cessation or Suspension of Trading Event]
		[(further particulars specified below)]
		(*If Securities are being cleared through Clearstream, Luxembourg or Euroclear they will require a minimum of five days' notice for the exercise of any Issuer's Redemption Option*.)
10.	(i) Status of the Securities:	[Senior/Subordinated]
	(ii) Status of the Guarantee:	[Senior/Subordinated]
11.	[Date of [Board] approval for issuance of Securities] and Guarantee respectively obtained:	[●] for the issuance of the Securities and [●] for the Guarantee (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Securities*)
12.	Listing:	[SGX-ST/Other (*specify*)/None]
		(*For Securities to be listed, insert the expected effective listing date of the Securities*)
13.	Calculation Agent:	[●]/[Not applicable]

PROVISIONS RELATING TO DISTRIBUTION (IF ANY) PAYABLE

14.	(i) Rate of Distribution:	[[●] per cent. per annum payable in arrear on each Distribution Payment Date]/
		(*or if the Rate of Distribution of the Securities is to be subject to step-up, consider the following*)
		[(a) in respect of the period from, and including, the Issue Date to, but excluding, the Reset Date, the Initial Distribution Rate; and
		(b) in respect of the period from, and including, the Reset Date to, but excluding, the Maturity Date, the Reset Distribution Rate,

			where:
			“**Initial Distribution Rate**” is [●] per cent. per annum payable in arrear on each Distribution Payment Date;
			“**Reset Date**” is [●]; and
			“**Reset Distribution Rate**” is [●] per cent. per annum payable in arrear on each Distribution Payment Date.]
	(ii)	Distribution Payment Date(s):	[●] and [●] in each year [adjusted in accordance with [*specify Business day Convention and any applicable Business Centre(s) for the definition of “Business Day”*]/[not adjusted]
	(iii)	Fixed Distribution Amount[(s)]:	[●] per Calculation Amount
	(iv)	Broken Amount(s):	[Not Applicable]/[[●] per Calculation Amount, payable on the Distribution Payment Date falling [in/on] [●]]
	(v)	Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/*specify other*]
15.	**Floating Rate Security Provisions**		[Applicable/Not Applicable]
			(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Distribution Period(s):	[●]
	[(ii)	Specified Period:	[●]]
			(*Specified Period and Specified Distribution Payment Dates are alternatives. A Specified Period, rather than Specified Distribution Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert “Not Applicable”)*
	[(iii)	Specified Distribution Payment Dates:	[●]]
			(*Specified Period and Specified Distribution Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert “Not Applicable”)*

(iv)	First Distribution Payment Date:	[●]
(v)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Modified Business Day Convention/Preceding Business Day Convention/FRN Convention/Floating Rate Convention/Eurodollar Convention/other (*give details*)][Not Applicable]
(vi)	Additional Business Centre(s):	[Not Applicable/*give details*]
(vii)	Reference Banks:	[●]
(viii)	Manner in which the Rate(s) of Distribution is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (*give details*)]
(ix)	Party responsible for calculating the Rate(s) of Distribution and/or Distribution Amount(s) (if not the Principal Paying Agent):	[[*Name*] shall be the Calculation Agent (*no need to specify if the Principal Paying Agent is to perform this function*)]
(x)	Screen Rate Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Reference Rate:	[SONIA/SOFR/€STR/SONIA compounded Index/SOFR Compounded Index/SORA]
	• Observation Method:	[Lag/Observation Shift]
	• Lag Period:	[5/[●] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]
	• Observation Shift Period:	[5/[●] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable] (*NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent*)
	• Index Determination:	[Applicable/Not Applicable]
	• SONIA Compounded Index:	[Applicable/Not Applicable]
	• SOFR Compounded Index:	[Applicable/Not Applicable]
	• Relevant Decimal Place:	[●] [5/7] (*unless otherwise specified in the Pricing Supplement, be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index*)

• Relevant Number of Index Days:	[●] [5] (*unless otherwise specified in the Pricing Supplement, the Relevant Number shall be 5*)
• Distribution Determination Date(s):	[The first Business Day in the relevant Distribution Period]/[●] [London Banking Days/ U.S. Government Securities Business Days/ TARGET Settlement Days] prior to each Distribution Payment Date]
• Relevant Screen Page:	[●]
• Relevant Time:	[●]
• Relevant Financial Centre:	[●]
• SORA Benchmark:	[Compounded Daily SORA/SORA Index Average]
• Calculation method for Compounded Daily SORA:	[SORA Lockout/SORA Lookback/SORA Backward Shifted Observation Period/SORA Payment Delay] (*Only applicable where the Reference Rate is Compounded Daily SORA*)
• SORA Rate Cut-Off Date:	[Not Applicable]/[●] Singapore Business Days (*Only applicable where the calculation method is SORA Lockout or SORA Payment Delay*)
• Suspension Period:	[Not Applicable]/[●] (*Only applicable where the calculation method is SORA Lockout*)
• Observation Period:	[Not Applicable]/[●] (*Only applicable where the calculation method is SORA Lookback or SORA Backward Shifted Observation Period*)
• $SORA_{i-x\ SBD}$:	[Not Applicable]/[●] (*Only applicable where the calculation method is SORA Lookback*)
• $SORA\ Index_{Start}$:	[Not Applicable]/[●] Singapore Business Day(s) (*Only applicable where Reference Rate is SORA Index Average*)
• $SORA\ Index_{End}$:	[Not Applicable]/[●] Singapore Business Day(s) (*Only applicable where Reference Rate is SORA Index Average*)

(xi)	ISDA Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• ISDA Definitions	[2006 ISDA Definitions/2021 ISDA Definitions]
	• Floating Rate Option:	[[●]/CHF-SARON/EUR-EuroSTR/EUR-EuroSTR Compounded Index/GBP SONIA/GBP SONIA Compounded Index/HKD-HONIA/JPY-TONA/USD-SOFR/USD-SOFR Compounded Index]
	• Designated Maturity:	[●]
	• Reset Date:	[●]/[as specified in the ISDA Definitions]/[the first day of the relevant Distribution Period]
	• Compounding:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Compounding Method	[Compounding with Lookback • Lookback: [●] Applicable Business Days][2] [Compounding with Observation Period Shift • Observation Period Shift: [●] Observation Period Shift Business Days • Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Compounding with Lockout • Lockout: [●] Lockout Period Business Days • Lockout Period Business Days: [●]/[Applicable Business Days]]
	• Averaging	[Applicable/Not Applicable]] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• Averaging Method	[Averaging with Lookback • Lookback: [●] Applicable Business Days] [Averaging with Observation Period Shift

2 This field should be completed and the parties may wish to refer to the Compounding/Averaging Matrix. As at December 2021 the number of Applicable Business Days for Compounding with Lookback in the Compounding/Averaging Matrix has not yet been populated however, the default designation is 5 Applicable Business Days in accordance with the 2021 ISDA Definitions. Note that when populated the Compounding/Averaging Matrix may not reflect the default designation.

			• Observation Period Shift: [●] Observation Period Shift Business days • Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Averaging with Lockout • Lookout: [●] Lockout Period Business Days • Lockout Period Business Days: [●]/[Applicable Business Days]]
		• Index Provisions:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
		• Index Method:	Compounded Index Method with Observation Period Shift • Observation Period Shift: [●] Observation Period Shift Business days • Observation Period Shift Additional Business Days: [[●]/[Not Applicable]]
	(xii)	[Linear Interpolation:	Not Applicable/Applicable – the Rate of Distribution for the [long/short] [first/last] Distribution Period shall be calculated using Linear Interpolation (*specify for each short or long distribution period*)]
	(xiii)	Margin(s):	[+/-][●] per cent. per annum
	(xiv)	Minimum Rate of Distribution:	[●] per cent. per annum
	(xv)	Maximum Rate of Distribution:	[●] per cent. per annum
	(xvi)	Day Count Fraction:	[●]
	(xvii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating distribution on Floating Rate Securities, if different from those set out in the Conditions:	[●]
16.	Dividend Pusher and Dividend Stopper:		[Applicable/Not Applicable/*give details*]
	(i)	[Dividend Pusher Lookback Period:	[●] months]

17.	Increase in Distribution Rate upon Step-Up Event	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Increase in Distribution following the occurrence of a Cessation or Suspension of Trading Event	[Applicable/Not Applicable]
	(ii) Step-Up Rate	[●]
18.	Cumulative Deferral:	[Applicable/Not Applicable]
19.	Additional Distribution:	[Applicable/Not Applicable]
20.	Non-Cumulative Deferral:	[Applicable/Not Applicable]
21.	Other terms relating to the method of calculating Distribution:	[Not Applicable/*give details*]

PROVISIONS RELATING TO REDEMPTION

22.	Redemption at the option of the Issuer	
	(i) Optional Redemption Date(s) (Call):	[●]
	(ii) Optional Redemption Amount (Call) of each Security:	[●] per Calculation Amount
	[(iii) If redeemable in part:	(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount]
	(iv) Notice period:	[●] (*If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or the Trustee.*)

23.	Redemption upon a Capital Event:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Early Redemption Amount (Capital Event):	[As defined in the Conditions]/[[●] per Calculation Amount]
24.	Redemption for tax reasons	[Applicable/Not Applicable]
	(i) Early Redemption Amount (Tax):	[As defined in the Conditions]/[[●] per Calculation Amount]
25.	Redemption upon a Tax Deductibility Event:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Early Redemption Amount (Tax Deductibility Event):	[As defined in the Conditions]/[[●] per Calculation Amount]
26.	Redemption upon an Accounting Event:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Early Redemption Amount (Accounting Event):	[As defined in the Conditions]/[[●] per Calculation Amount]
27.	Redemption upon a Cessation or Suspension of Trading Event	[Applicable/Not Applicable]
	(i) Early Redemption Amount (Cessation or Suspension of Trading Event):	[As defined in the Conditions]/[[●] per Calculation Amount]
28.	Redemption in the case of minimal outstanding amount	[Applicable/Not Applicable] [*Specify if Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions*]
	(i) Early Redemption Amount (Minimal Amount Outstanding):	[As defined in the Conditions]/[[-] per Calculation Amount]
29.	Early Redemption Amount:	[As defined in the Conditions]/[[-] per Calculation Amount]
30.	Conditional Purchase:	[Not Applicable/Condition 6(k) (Redemption and Purchase – Purchase) shall be conditional.
31.	Unmatured Coupons void:	[Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

32.	Form of Securities:	**[Bearer Securities:** (*Bearer Securities issued in compliance with the D Rules must initially be represented by a Temporary Global Security.*) [Temporary Global Security exchangeable for a Permanent Global Security which is exchangeable for Definitive Security on [●] days' notice /in the limited circumstances specified in the Permanent Global Security] [Temporary Global Security exchangeable for Definitive Security on [●] days' notice] [Permanent Global Security exchangeable for Definitive Security on [●] days' notice/in the limited circumstances specified in the Permanent Global Security]] **[Registered Securities:** [Global Security Certificate registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Security Certificates on [●] days' notice /in the limited circumstances described in the Global Security Certificate]]
33.	Principal Financial Centre:	[As specified in the Security Conditions/*give details*]
34.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details*] [*Note that this paragraph relates to the date and place of payment, and not distribution period end dates.*]
35.	Any applicable currency disruption/ fallback provisions:	[Not Applicable/Renminbi fallback/*give details*]
36.	Other terms or special conditions:	[Not Applicable/*give details*]

LISTING AND ADMISSION TO TRADING

37.	Listing/Admission to Trading:	[Singapore Exchange Securities Trading Limited/Other (*specify*)/None]
38.	Net Proceeds:	[●] (*Applicable to listed Securities only*)

DISTRIBUTION

39.	Method of Distribution:	[Syndicated/Non-syndicated]
	(i) If syndicated, names of Dealers:	[Not Applicable/*give names*]
	(ii) Stabilisation Manager(s), if any:	[Not Applicable/*give names*]
	(iii) If non-syndicated, name of Dealer:	[Not Applicable/*give names and address*]
40.	Total commission and concession:	[●] per cent. of the Aggregate Nominal Amount
41.	U.S. Selling Restrictions:	Reg. S Category [1/2] (*In the case of Bearer Securities*) – [C RULES/D RULES/TEFRA not applicable] (*In the case of Registered Securities*) – [TEFRA not applicable.] (*"TEFRA not applicable" may only be used for Registered Securities, or Bearer Securities with a maturity of 365 days or less (taking into account any unilateral rights to extend or roll over).)*
42.	Prohibition of sales to EEA retail investors:	[Applicable/Not Applicable] (*If the Securities clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Securities may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)
43.	Prohibition of sales to UK retail investors:	[Applicable/Not Applicable] (*If the Securities clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Securities may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)
44.	Additional Selling Restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

45.	ISIN Code:	[●]
46.	Common Code:	[●]
47.	Any clearing system(s) other than Euroclear/Clearstream, Luxembourg and CDP and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]

48.	Delivery:	Delivery [against/free of] payment
49.	Names and addresses of additional Paying Agent(s) (if any):	[●]/[Not Applicable]

GENERAL

50.	Private Bank Rebate/Commission:	[Applicable/Not Applicable] [(*To be included if a PB rebate is paid*) In addition, the Issuer (or in default, the Guarantor) has agreed with the Joint Lead Managers that it will pay a commission to certain private banks in connection with the distribution of the Securities to their clients. This commission will be based on the principal amount of the Securities so distributed, and may be deducted from the purchase price for the Securities payable by such private banks upon settlement.]
51.	The aggregate principal amount of Securities issued has been translated into U.S. dollars at the rate of [●], producing a sum of (for Notes not denominated in U.S. dollars):	[Not Applicable/U.S.$[●]]
52.	[Ratings:	[Not Applicable]/[The Notes to be issued [have been/are expected to be] rated: [Standard & Poor's: [●]] [Moody's: [●]] [Fitch: [●]] [[Other]: [●]] (each, a "**Rating Agency**") If any Rating Agency shall not make a rating of the Securities publicly available, the Issuer shall select and substitute them with [●] or [●] and its successors.]
53.	Governing law	[English law]/[Singapore law]

[**USE OF PROCEEDS**

Give details if different from the "Use of Proceeds" section in the Offering Circular.]

[**STABILISATION**

In connection with this issue, [*insert name of Stabilisation Manager*] (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, stabilisation may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Securities and 60 days after the date of the allotment of the relevant Tranche of Securities. Any stabilising or over-allotment shall be conducted in accordance with all applicable laws and rules.]

[**INVESTMENT CONSIDERATIONS**

There are significant risks associated with the Securities including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Securities, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Securities unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Securities.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue [and admission to trading on the [*specify relevant stock exchange/market*]] of the Securities described herein pursuant to the U.S.$3,000,000,000 Guaranteed Multicurrency Debt Issuance Programme of the Issuer.

[**RESPONSIBILITY**

The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The admission of the Securities to the Official List of the SGX-ST is not to be taken as an indication of the merits of the U.S.$3,000,000,000 Guaranteed Multicurrency Debt Issuance Programme, the Securities, the Guarantee, the Issuer, the Guarantor, its Subsidiaries, joint ventures and/or associated entities.]

The Issuer and the Guarantor each accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of **SATS Treasury Pte. Ltd**. as Issuer:

By: ....
Duly authorised

Name: ....

Title: ....

Signed on behalf of **SATS Ltd** as Guarantor:

By: ....
Duly authorised

Name: ....

Title: ....

TERMS AND CONDITIONS OF THE NOTES

The following (other than the words in italics) is the text of the terms and conditions of the Notes which, as completed, amended, supplemented and/or varied by the relevant Note Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Instruments while in Global Form". All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Note Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Note Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Note Pricing Supplement.

1. **Introduction**

(a) *Programme:* SATS Treasury Pte. Ltd. (the "**Issuer**") has established a guaranteed multicurrency debt issuance programme (the "**Programme**") for the issuance of up to US$3,000,000,000 in aggregate principal amount of notes (the "**Notes**") and/or senior and subordinated perpetual capital securities (the "**Securities**", and together with the Notes, the "**Instruments**") guaranteed by SATS Ltd. (the "**Guarantor**"). These terms and conditions relate to the Notes issued under the Programme.

(b) *The Notes:* The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Note Pricing Supplement. Copies of the Trust Deed (as defined below) and the Agency Agreement (as defined below) (i) may be provided by email to the requesting Noteholder or (ii) are available for viewing at normal business hours at the registered office for the time being of the Trustee, being at the date hereof, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom, in each case upon prior written request and satisfactory proof of holding. Copies of the relevant Note Pricing Supplement are available for viewing during normal business hours upon prior written request and satisfactory proof of holding at the Specified Office of the Principal Paying Agent. In the case of Notes cleared through CDP (as defined below), the Noteholders are entitled to the benefit of a deed of covenant entered into with CDP by the Issuer dated 17 November 2023 (the "**CDP Deed of Covenant**").

(c) *Pricing Supplement:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a note pricing supplement (the "**Note Pricing Supplement**") which supplements, amends and/or replaces these terms and conditions (the "**Note Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Note Conditions as supplemented, amended and/or replaced by the relevant Note Pricing Supplement. In the event of any inconsistency between these Note Conditions and the relevant Note Pricing Supplement, the relevant Note Pricing Supplement shall prevail.

(d) *Trust Deed:* The Notes are constituted by, are subject to, and have the benefit of a trust deed dated 17 November 2023 (as amended, restated or supplemented from time to time) made between the Issuer, the Guarantor and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall include any successor as Trustee), as supplemented, in respect of Notes specified to be governed by Singapore law in the applicable Note Pricing Supplement, by the Singapore supplemental trust deed dated 17 November 2023 (as amended, restated or supplemented from time to time, the "**Singapore Supplemental Trust Deed**") made between the same parties (together, the "**Trust Deed**").

(e) *Agency Agreement:* The Notes are the subject of an agency agreement dated 17 November 2023 (as amended, restated and/or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Guarantor, The Bank of New York Mellon, Singapore Branch, as principal issuing and paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), as CDP issuing and paying agent for Notes cleared through the CDP (the "**CDP Issuing and Paying Agent**", which expression includes any successor CDP issuing and paying agent appointed from time to time in connection with the Notes and together with the Principal Paying Agent and the Non-CDP Issuing and Paying Agent (as defined below), the "**Paying Agents**"), The Bank of New York Mellon, London Branch as Non-CDP issuing and paying agent for Notes cleared through Euroclear and/or Clearstream (the "**Non-CDP Issuing and Paying Agent**", which expression includes any successor Non-CDP issuing and paying agent appointed from time to time in connection with the Notes), The Bank of New York Mellon, Singapore Branch as CDP registrar and CDP transfer agent for Notes cleared through the CDP (the "**CDP Registrar**", and "**CDP Transfer Agent**", which expression includes any successor CDP registrar and/or CDP transfer agent appointed from time to time in connection with the Notes), The Bank of New York Mellon SA/NV, Dublin Branch as Non-CDP registrar and Non-CDP transfer agent for Notes cleared through Euroclear and/or Clearstream (the "**Non-CDP Registrar**" and "**Non-CDP Transfer Agent**", which expression includes any successor Non-CDP Registrar and Non-CDP Transfer Agent appointed from time to time in connection with the Notes), the Paying Agents (together with the CDP Registrar, CDP Transfer Agent, the Non-CDP Registrar and the Non-CDP Transfer Agent, the "**Agents**", which expression includes any successor or additional agents appointed from time to time in connection with the Notes) and the Trustee. In these Note Conditions, all references (other than in relation to the determination of interest and other amounts payable in respect of the Notes) to the "**Principal Paying Agent**" shall, with respect to a Series of Notes to be cleared other than through CDP (as defined below), be deemed to be references to the Non-CDP Issuing and Paying Agent and all such references shall be construed accordingly; all references to the "**Registrar**" shall (i) with respect to a Series of Notes to be cleared through CDP, be deemed to be references to the CDP Registrar, and (ii) with respect to a series of Notes to be cleared other than through CDP, be deemed to be references to the Non-CDP Registrar, and all references shall be construed accordingly; and references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

(f) *Summaries:* Certain provisions of these Note Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders (as defined below) and the Noteholders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

2. **Interpretation**

(a) *Definitions:* In these Note Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Note Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Note Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Note Pricing Supplement;

"**Authorised Signatory**" shall have the meaning given to it in the Trust Deed;

"**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets settle payments generally in London, Singapore and each (if any) Additional Business Centre;

(b) in relation to any sum payable in Singapore dollars:

(A) if cleared through Euroclear and/or Clearstream, a day (other than a Saturday, Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets are open for business and settle payments in London;

(B) if cleared through CDP, a day (other than a Saturday, Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets are open for business and settle payments in Singapore;

(c) in relation to any sum payable in Renminbi, (A) if cleared through Euroclear and Clearstream, a day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed or such other location outside the People's Republic of China as may have been agreed between the Issuer and the Principal Paying Agent prior to the issue of the Notes and specified in the applicable Notes Pricing Supplement and (B) if cleared through CDP, a day other than a Saturday or Sunday or gazetted public holiday on which commercial banks and foreign exchange markets are open for business in Singapore; and

(d) in relation to any sum payable in a currency other than euro, Renminbi and Singapore dollars, a day (other than a Sunday, a Saturday or a gazetted public holiday) on which commercial banks and foreign exchange markets settle payments generally, in Singapore, the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Note Pricing Supplement and, if so specified in the relevant Note Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Note Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that**:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the calculation agent as appointed by the Issuer in respect of a Series of Notes pursuant to the terms of the Agency Agreement and/or as specified in the relevant Note Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Note Pricing Supplement;

"**Calculation Amount**" has the meaning given in the relevant Note Pricing Supplement;

"**CDP**" means The Central Depository (Pte) Limited;

"**Clearstream**" means Clearstream Banking, S.A.;

"**Companies Act**" means the Companies Act 1967 of Singapore;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Note Conditions or the relevant Note Pricing Supplement and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

 (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

 (ii) where the Calculation Period is longer than one Regular Period, the sum of:

  (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

  (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(b) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(g) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Determination Business Day**" means a day (other than a Saturday or Sunday or a gazetted public holiday) on which commercial banks are open for general business (including dealings in foreign exchange) in Singapore;

"**Determination Date**" means the day which is seven Determination Business Days before the due date of the relevant amount under these Conditions;

"**Early Redemption Amount (Cessation or Suspension of Trading Event)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with these Note Conditions or the relevant Note Pricing Supplement;

"**Early Redemption Amount (Minimal Outstanding Amount)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with these Note Conditions or the relevant Note Pricing Supplement;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with these Note Conditions or the relevant Note Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Note Conditions or the relevant Note Pricing Supplement;

"**Euroclear**" means Euroclear Bank SA/NV:

"**Event of Default**" has the meaning given in Note Condition 13 (*Events of Default*);

"**Financial Institutions**" includes banks, finance companies, leasing companies and factoring companies and any corporation or entity carrying on financing business;

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Note Pricing Supplement;

"**First Interest Payment Date**" means the date specified in the relevant Note Pricing Supplement;

"**Fixed Coupon Amount**" has the meaning given in the relevant Note Pricing Supplement;

"**Governmental Authority**" means the Monetary Authority of Singapore or any other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Singapore;

"**Group**" means the Guarantor and its Subsidiaries, taken as a whole;

"**guarantee**" means (other than in Condition 4(b) (*Guarantee of the Notes*)), in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness;

"**Guarantee of the Notes**" means the guarantee of the Notes given by the Guarantor in the Trust Deed;

"**Illiquidity**" means the general Renminbi exchange market in Singapore becomes illiquid as a result of which the Issuer or the Guarantor cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal in respect of the Notes as determined by the Issuer or the Guarantor in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers selected by the Issuer;

"**Inconvertibility**" means the occurrence of any event that makes it impossible (where it had previously been possible) for the Issuer or the Guarantor to convert any amount due in respect of the Notes in the general Renminbi exchange market in Singapore, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

"**Indebtedness**" means, in relation to any Person, at any date, any outstanding indebtedness for or in respect of any moneys borrowed or raised that is evidenced by any agreement or instrument;

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period End Date and each successive period beginning on (and including) an Interest Period End Date and ending on (but excluding) the next succeeding Interest Period End Date;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means in respect of any Notes, the Issue Date or such other date as may be specified as the Interest Commencement Date in the relevant Note Pricing Supplement;

"**Interest Determination Date**" has the meaning given in the relevant Note Pricing Supplement;

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Note Pricing Supplement and, if a Business Day Convention is specified in the relevant Note Pricing Supplement:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Note Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the First Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Interest Period End Date**" means each Interest Payment Date unless otherwise specified in the relevant Note Pricing Supplement;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Note Pricing Supplement)) as published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or (if specified in the relevant Note Pricing Supplement) the 2021 Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time or any successor definitional booklet for interest rate derivatives published from time to time;

"**Issue Date**" has the meaning given in the relevant Note Pricing Supplement;

"**Margin**" has the meaning given in the relevant Note Pricing Supplement;

"**Material Adverse Effect**" means having an event (a) having a material adverse effect on the financial condition, business or results of operations of the Issuer, the Guarantor or the Group, taken as a whole, or (b) which would materially and adversely affect the Issuer's or the Guarantor's ability to perform or comply with its payment or other material obligations under the Trust Deed or the Notes;

"**Maturity Date**" has the meaning given in the relevant Note Pricing Supplement;

"**Maximum Rate of Interest**" has the meaning given in the relevant Note Pricing Supplement;

"**Maximum Redemption Amount**" has the meaning given in the relevant Note Pricing Supplement;

"**Minimum Rate of Interest**" has the meaning given in the relevant Note Pricing Supplement;

"**Minimum Redemption Amount**" has the meaning given in the relevant Note Pricing Supplement;

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer or the Guarantor to transfer Renminbi between accounts inside Singapore or from an account inside Singapore to an account outside Singapore and outside the People's Republic of China ("**PRC**") or from an account outside Singapore and outside the PRC to an account inside Singapore, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Note Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Note Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Note Pricing Supplement;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Note Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Note Pricing Supplement or, as the case may be, as specified in the relevant notice to Noteholders;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Note Pricing Supplement;

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

(i) (A) (in the case of bearer debt securities) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies and (B) a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent or the CDP Issuing and Paying Agent (as the case may be) has its Specified Office; and

(ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is Singapore dollars, any day which is:

(i) (A) (in the case of bearer debt securities) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies and (B) a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent or (as the case may be) the CDP Issuing and Paying Agent has its Specified Office; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in Singapore and in each (if any) Additional Financial Centre;

(c) if the currency of payment is not euro or Singapore dollars, any day which is:

(i) (A) (in the case of bearer debt securities) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies and (B) a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent or (as the case may be) the CDP Issuing and Paying Agent has its Specified Office; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Notes denominated in Renminbi, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

a "**Person**" includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal personality);

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided, however, that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

(b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

(c) in relation to Renminbi, it means Hong Kong or the Principal Financial Centre as is specified in the relevant Note Pricing Supplement; and

(d) in relation to Singapore dollars, it means Singapore;

"**Principal Subsidiary**" means, at any particular time, any Subsidiary of the Issuer or the Guarantor:

(a) whose total assets, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 25 per cent. of the total assets of the Group as shown by such audited consolidated accounts; or

(b) whose profits before tax as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 30 per cent. of the consolidated profits before tax of the Group as shown by such audited consolidated accounts; or

(c) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which, immediately prior to such transfer, was a Principal Subsidiary, **provided that**:

(i) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer or, as the case may be, the Guarantor) shall thereupon become a Principal Subsidiary; and

(ii) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer or, as the case may be, the Guarantor) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (c)(i) above or which remains or becomes a Principal Subsidiary by virtue of (c)(ii) above shall continue to be a Principal Subsidiary until the earlier of (x) the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets or (as the case may be) profits before tax as shown by the accounts of such Subsidiary (consolidated (if any) in the case of a company which itself has Subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 25 per cent. of the total assets or, as the case may be, 30 per cent. of the consolidated profits before tax as of the Group, as shown by such audited consolidated accounts and (y) the date of a report by the Auditors (as defined in the Trust Deed) as described below dated on or after the date of the relevant transfer which shows the total assets of such Subsidiary to be less than 25 per cent. of the total assets or, as the case may be, 30 per cent. of the consolidated profits before tax, of the Group

provided that, in relation to sub-paragraphs (a) and (b) above of this definition, in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Group relate, the reference to the then latest consolidated audited accounts of the Group for the purposes of the calculation above shall, (i) in the case of the financial year ending 31 March 2024, until the consolidated audited accounts of the Group for the financial year ending 31 March 2024 are available, be deemed to be a reference to the consolidated reviewed accounts of the Group for the six months ended 30 September 2023, and (ii) in the case of all other financial periods after the financial year ending 31 March 2024, until the consolidated audited accounts of the Group for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are available, be deemed to be a reference to the then latest consolidated reviewed accounts of the Group or if such consolidated reviewed accounts are not available, the then latest consolidated audited accounts of the Group, each adjusted (where necessary) to take into account any subsequent acquisition or disposal of a business or company (including that subsidiary).

A report by the Auditors, who shall also be responsible for producing any accounts required for the above purposes, that in their opinion a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder in accordance with Note Condition 9(f) (*Redemption and Purchase – Redemption at the option of Noteholders*);

“**Put Option Receipt**” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“**Rate of Interest**” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Note Pricing Supplement or calculated or determined in accordance with the provisions of these Note Conditions and/or the relevant Note Pricing Supplement;

a “**Rating Agency**” means any one of Moody’s Investors Service, Inc., Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc. or Fitch Ratings, Inc. and their respective successors or other internationally recognised rating agency;

“**Redemption Amount**” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Early Redemption Amount (Cessation or Suspension of Trading Event), the Early Redemption Amount (Minimal Outstanding Amount), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Note Pricing Supplement;

“**Reference Banks**” has the meaning given in the relevant Note Pricing Supplement or, if none, four major banks selected by the Issuer (or an agent appointed by it) in the interbank market that is most closely connected with the Reference Rate;

“**Reference Price**” has the meaning given in the relevant Note Pricing Supplement;

“**Reference Rate**” has the meaning given in the relevant Note Pricing Supplement in respect of the currency and period specified in the relevant Note Pricing Supplement;

“**Regular Period**” means:

(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the First Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and

(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount of such moneys having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Note Pricing Supplement;

"**Relevant Indebtedness**" means, any Indebtedness which is in the form of or represented by any bond, note, debenture, loan stock or other instrument which is, or is capable of being, listed, quoted, dealt in or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Note Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Note Pricing Supplement;

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Singapore;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest;

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited;

"**Singapore Dollar Equivalen**t" means the Renminbi amount converted into Singapore dollars using the relevant Spot Rate for the relevant Determination Date;

"**Specified Currency**" has the meaning given in the relevant Note Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Note Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Spot Rate**" means, for a Determination Date, the spot Renminbi/Singapore dollar exchange rate as determined by the Issuer at or around 11:00 a.m. (Singapore time) on such date in good faith and in a reasonable commercial manner, and if a spot rate is not readily available, the Issuer may determine the rate taking into consideration all available information which the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore;

"**Specified Period**" has the meaning given in the relevant Note Pricing Supplement;

"**Subsidiary**" or "**Subsidiaries**" means a subsidiary within the meaning of Section 5 of the Companies Act;

"**Talon**" means a talon for further Coupons;

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system;

"**TARGET Settlement Day**" means any day on which T2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended;

"**U.S. dollars**" or "**U.S.$**" means the lawful currency of the United States of America; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Note Pricing Supplement.

(b) *Interpretation:* In these Note Conditions:

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Note Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Note Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Note Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Note Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Note Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Note Conditions;

(vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;

(vii) if an expression is stated in Note Condition 2(a) (*Interpretation – Definitions*) to have the meaning given in the relevant Note Pricing Supplement, but the relevant Note Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(viii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

(a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Note Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination. Registered Notes may not be exchanged for Bearer Notes.

(b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Note Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Note Pricing Supplement. Bearer Notes may not be exchanged for Registered Notes.

(d) *Title to Registered Notes:* The relevant Registrar will maintain the register (the "**Register**") in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(e) *Ownership:* The Holder of any Note or Coupon shall (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under (i) if the Notes are specified to be governed by English law in the applicable Note Pricing Supplement, the Contracts (Rights of Third Parties) Act 1999 or (ii) if the Notes are specified to be governed by Singapore law in the applicable Note Pricing Supplement, the Contracts (Rights of Third Parties) Act 2001 of Singapore.

(f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the relevant Registrar or any Transfer Agent, together with such evidence as the relevant Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however,**

that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) *Registration and delivery of Note Certificates:* Within five business days of receipt by the Registrar or (as the case may be) any Transfer Agent of a duly completed form of transfer and the surrender of the relevant Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the relevant Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured mail to the address specified for the purpose by such relevant Holder. In this paragraph (g), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the relevant Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the relevant Registrar or any Transfer Agent but against such payment or indemnity as the relevant Registrar or (as the case may be) such Transfer Agent may require in respect of (i) any costs or expenses of delivery other than by regular uninsured mail, or (ii) any stamp duty, tax or other duty or governmental charge of whatsoever nature which may be levied or imposed in connection with such transfer and registration thereof.

(i) *Closed periods:* Noteholders may not require transfers to be registered (i) during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes, (ii) after any such Note has been called for redemption, (iii) during the period of seven days ending on (and including) any Record Date (as defined in Note Condition 11(f) (*Record Date*)), or (iv) after a Cessation or Suspension of Trading Put Notice has been delivered to the Issuer in accordance with Note Condition 9(f) (*Redemption and Purchase – Redemption upon Cessation or Suspension of Trading Event*).

(j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the relevant Registrar and the Trustee or by the relevant Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection or by email by the relevant Registrar to any Noteholder upon prior written request and satisfactory proof of holding.

4. **Status and Guarantee of the Notes**

(a) *Status of the Notes*: The Notes constitute direct, unconditional, unsubordinated and (subject to Note Condition 5(a) (*Covenants – Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu and* without any preference or priority among themselves and at least *pari passu* with all other present and future unconditional, unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) *Guarantee of the Notes*: The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This Guarantee of the Notes constitutes direct, unconditional, unsecured and unsubordinated obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Covenants**

(a) *Negative pledge:* So long as any Note remains outstanding, neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of their respective Principal Subsidiaries will create or permit to subsist any Security Interest upon the whole or any part of its present or future undertakings, assets, property or revenues (including uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of Relevant Indebtedness, unless at the same time or prior thereto the Notes are accorded:

(i) the same Security Interest as is created or subsisting to secure any such Relevant Indebtedness or guarantee of Relevant Indebtedness; or

(ii) such other Security Interest or other arrangement as shall be approved by an Extraordinary Resolution of Noteholders.

Nothing in this Note Condition 5(a) shall prohibit or restrict Security Interests:

(A) securing Relevant Indebtedness of an entity acquired by the Group provided that such Security Interests were created prior to the acquisition of such entity by the Group and were not created in anticipation of such entity becoming a Subsidiary of the Group; or

(B) created solely for the purpose of refinancing of such Relevant Indebtedness referred to in Condition 5(a)(A) above provided that the principal amount secured by such Security Interest may not be increased.

(b) *Rating maintenance*: Where the Notes are specified in the relevant Note Pricing Supplement to be rated by one or more Rating Agencies, so long as any Note remains outstanding, save with the approval of an Extraordinary Resolution of Noteholders, the Issuer and the Guarantor shall use all reasonable endeavours to maintain a rating on the Notes by any one of the Rating Agencies and shall notify the Trustee in writing of any change in such rating upon the Issuer or the Guarantor becoming aware of the occurrence of such change.

(c) *Non-disposal:* So long as any Note remains outstanding, the Issuer and the Guarantor shall not, and will ensure that none of their respective Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out or otherwise dispose of the whole of its assets nor of any part of its assets which, when aggregated with all other disposals required to be taken into account under this Note Condition 5(c), is substantial in relation to its total assets which could have a Material Adverse Effect on it. The following disposals shall not be taken into account under this Note Condition 5(c):

(i) disposals made in the ordinary course of business;

(ii) any disposal or sale of assets from the Issuer, the Guarantor or any of their respective Principal Subsidiaries to any of its Subsidiaries or from one of its Subsidiaries to any other Subsidiaries of the Issuer or the Guarantor;

(iii) any leasings made in the ordinary course of business;

(iv) the payment of cash as consideration for the acquisition of any asset on normal commercial terms:

(v) the temporary application of funds not immediately required in its business in the purchase or making of investments, or the realisation of such investments;

(vi) disposals of assets in exchange for assets which are comparable or superior as to type, value and quality;

(vii) transactions made at arm's length and on normal commercial terms, including disposals in exchange for cash consideration, or loan note or promissory note from the entity providing the consideration in respect of the relevant assets being disposed;

(viii) disposals of assets which are obsolete, excess or no longer required for the purpose of the business of the Issuer or the Guarantor or any of their respective Principal Subsidiaries;

(ix) (a) any disposals of any assets by way of securitisation, (b) any outright sale of the assets of the Issuer or the Guarantor or any their respective Principal Subsidiaries into a real estate investment trust or (c) any sale and leaseback of any asset;

(x) disposals of interest in a Subsidiary which is a dormant entity; or

(xi) any disposal which the Trustee or the Noteholders by way of Extraordinary Resolution shall have agreed shall not be taken into account.

6. **Fixed Rate Note Provisions**

(a) *Application:* This Note Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified as applicable in the relevant Note Pricing Supplement.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Note Condition 10 (*Payments – Bearer Notes*) and Note Condition 11 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Note Condition 6 (as well after as before judgement) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(e) *Notes accruing interest otherwise than a Fixed Coupon Amount:* This Note Condition 6(e) shall apply to Notes to which the Fixed Rate Note Provisions are specified in the relevant Note Pricing Supplement as being applicable, and only where the relevant Note Pricing Supplement for such Fixed Rate Notes specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. The relevant amount of interest payable in respect of each Note for any Interest Period for such Notes shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest and the Calculation Amount by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). The Calculation Agent shall cause the relevant amount of interest and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the Paying Agents, the relevant Registrar (in the case of Registered Notes) and the Noteholders in accordance with Note Condition 20 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange so require, the Issuer shall notify such exchange as soon as possible after their determination or calculation but in no event later than the fourth Business Day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange.

7. **Floating Rate Note Provisions**

(a) *Application:* This Note Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified as applicable in the relevant Note Pricing Supplement.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Note Condition 10 (*Payments – Bearer Notes*) and Note Condition 11 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Note Condition (as well after as before judgement) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Note Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be (other than in respect of Notes for which SOFR or SORA is specified as the Reference Rate in the relevant Note Pricing Supplement) determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Note Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer (or an agent appointed by it) determines appropriate;

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if, in the case of paragraph (i) above, such rate does not appear on that page or, in the case of paragraph (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer (or an agent appointed by it) will request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date offered to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time. The Calculation Agent will determine the arithmetic mean of such quotations; and

(v) if sub-paragraph (iv) above applies and fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Issuer (or an agent appointed by it)), as communicated to (and at the request of) the Issuer (or an agent appointed by it), quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer (or an agent appointed by it), at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the

Specified Currency to leading international banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of an immediately preceding Interest Period.

(d) *ISDA Determination:* If ISDA Determination is specified in the relevant Note Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) if the relevant Note Pricing Supplement specifies either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Note Pricing Supplement;

(B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Note Pricing Supplement;

(C) the relevant Reset Date, unless otherwise specified in the applicable Note Pricing Supplement, has the meaning given to it in the ISDA Definitions; and

(D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Note Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such relevant rate at such time and by reference to such sources as an agent appointed by the Issuer acting in good faith and in a commercially reasonable manner, determines appropriate;

(E) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Note Pricing Supplement and:

(1) if Compounding with Lookback is specified as the Compounding Method in the relevant Note Pricing Supplement then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Note Pricing Supplement;

(2) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Note Pricing Supplement then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Note Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Note Pricing Supplement; or

(3) if Compounding with Lockout is specified as the Compounding Method in the relevant Note Pricing Supplement then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Note Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Note Pricing Supplement;

(F) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Note Pricing Supplement and:

(1) if Averaging with Lookback is specified as the Averaging Method in the relevant Note Pricing Supplement then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Note Pricing Supplement;

(2) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Note Pricing Supplement then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Note Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Note Pricing Supplement; or

(3) if Averaging with Lockout is specified as the Averaging Method in the relevant Note Pricing Supplement then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Note Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Note Pricing Supplement; and

(G) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Note Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Note Pricing Supplement and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Note Pricing Supplement;

(ii) references in the ISDA Definitions to:

(A) "**Confirmation**" shall be references to the relevant Note Pricing Supplement;

(B) "**Calculation Period**" shall be references to the relevant Interest Period;

(C) "**Termination Date**" shall be references to the Maturity Date;

(D) "**Effective Date**" shall be references to the Interest Commencement Date; and

(iii) if the relevant Note Pricing Supplement specifies "2021 ISDA Definitions" as being applicable:

(A) Administrator/Benchmark Event shall be disapplied; and

(B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

(iv) Unless otherwise defined capitalised terms used in this Note Condition 7(d) shall have the meaning ascribed to them in the ISDA Definitions.

(e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified as applicable in the relevant Note Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose, a "**sub-unit**" means, in the case of any currency other than United States dollars, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of United States dollars, means one cent.

(g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Guarantor, the Paying Agents and the Trustee as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given by the Issuer to the Noteholders and, if the Notes have been admitted to listing, trading and/or quotation to any stock exchange and/or quotation system and the rules of the relevant competent authority or such stock exchange and/or quotation system so require, to such competent authority, stock exchange and/or quotation system. The Issuer, the Guarantor, the Trustee and the Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(h) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Note Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Trustee, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such a Person will attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(i) *Benchmark Discontinuation:*

(i) *Benchmark Replacement (SOFR):*

This Note Condition 7(i) (*Benchmark Discontinuation*) shall not apply to Notes for which the Reference Rate is specified as "SOFR" in the relevant Note Pricing Supplement, in respect of which the provisions of Note Condition 7A (*Interest – Floating Rate Notes referencing SOFR*) and benchmark discontinuation provisions of Note Condition 7A (*Interest – Floating Rate Notes referencing SOFR*) will apply.

(ii) *Benchmark Replacement (SORA)*:

This Note Condition 7(i) (*Benchmark Discontinuation*) shall not apply to Notes for which the Reference Rate is specified as "SORA" in the relevant Note Pricing Supplement, in respect of which the provisions of Note Condition 7C (*Interest – Floating Rate Notes referencing SORA*) and benchmark discontinuation provisions of Note Condition 7C(c) (*Benchmark Replacement (SORA)*) will apply.

(iii) *Benchmark Replacement (Independent Adviser):*

(A) If a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with this Note Condition 7(i)(iii)) and, in either case, an Adjustment Spread, if any (in accordance with Note Condition 7(i)(iii)(D)) and any Benchmark Amendments (in accordance with Note Condition 7(i)(iii)(E).

An Independent Adviser appointed pursuant this Note Condition 7(i)(iii) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Agents or the Noteholders for any determination made by it pursuant to this Note Condition 7(i)(iii) and the Trustee will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

(B) If (1) the Issuer is unable to appoint an Independent Adviser or (2) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Note Condition 7(i)(iii) prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in commercially reasonable manner) may determine a Successor Rate, failing which, an Alternative Rate and, in either case, an Adjustment Spread (if any) and any Benchmark Amendments. If the Issuer is unable to determine a Successor Rate or an Alternative Rate prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediately following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a First Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this Note Condition 7(i)(iii)(B) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Note Condition 7(i)(iii).

(C) If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7(i)(iii)(B) above) determines in its discretion that:

(1) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Note Condition 7(i)(iii)(D)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Note Condition 7(i)(iii) in the event of a further Benchmark Event affecting the Successor Rate; or

(2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Note Condition 7(i)(iii)(D)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Note Condition 7(i)(iii) in the event of a further Benchmark Event affecting the Alternative Rate.

(D) If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7(i)(iii)(B) above) determines in its discretion (1) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (2) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 7(i)(iii)(B) above) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as the case may be) will apply without an Adjustment Spread.

(E) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Note Condition 7(i)(iii) and the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7(i)(iii)(B) above) determines in its discretion (1) that amendments to these Note Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (2) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Note Condition 7(i)(iii)(F), without any requirement for the consent or approval of relevant Noteholders, vary these Note Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice. At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by an Authorised Signatory of the Issuer pursuant to Note Condition 7(i)(iii)(G), the Trustee, the Calculation Agent and/or the Agents shall, at the direction and expense of the Issuer, without any requirement for the consent or approval of the Noteholders, be obliged to consent to and effect such consequential amendments to the Trust Deed and these Note Conditions as may be required in order to give effect to this Note Condition 7(i)(iii)) **provided that** the Trustee, the Calculation Agent and/or the Agents shall not be obliged so to concur if in the opinion of the Trustee, the Calculation Agent and/or the Agents doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Calculation Agent and/or the Agents in these Note Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

(F) Any Successor Rate, Alternative Rate, Adjustment Spread (if any) and the specific terms of any Benchmark Amendments, determined under this Note Condition 7(i)(iii) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Note Condition 20 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(G) No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory:

(1) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Note Condition 7(i)(iii); and

(2) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread (if any).

Each of the Trustee, the Calculation Agent and the Paying Agents shall be entitled to rely conclusively on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Guarantor, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders. None of the Trustee, Calculation Agent or the Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(H) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Guarantor, the Trustee and Principal Paying Agent, the Calculation Agent, the other Paying Agents and the Noteholders.

(I) As used in this Note Condition 7(i)(iii):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7(i)(iii)(B) above) determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(1) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(2) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or

(3) (if no such determination has been made) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7(i)(iii)(B) above) determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(4) (if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7(i)(iii)(B) above)) determines that no such industry standard is recognised or acknowledged) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7(i)(iii)(B) above) determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7(i)(iii)(B) above) determines in accordance with this Note Condition 7(i)(iii) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"**Benchmark Amendments**" has the meaning given to it in Note Condition 7(i)(iii)(E).

"**Benchmark Event**" means:

(1) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(2) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or

(3) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by the Specified Future Date, be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate has been or will, by the Specified Future Date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or

(5) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is or will, by the Specified Future Date, be no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has, or will by the Specified Future Date be, materially changed; or

(6) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (2), (3), (4) or (5) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date.

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser with appropriate expertise or experience in the international capital markets, in each case appointed by the Issuer at its own expense under this Note Condition 7(i)(iii).

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (x) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (y) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (z) a group of the aforementioned central banks or other supervisory authorities or (aa) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

7A. **Interest – Floating Rate Notes referencing SOFR**

(a) This Note Condition 7A is applicable to the Notes only if the Floating Rate Note Provisions are specified as applicable in the relevant Note Pricing Supplement and the "Reference Rate" is specified as "SOFR" in the relevant Note Pricing Supplement.

(b) Where the Reference Rate is specified as "SOFR" in the relevant Note Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark *plus* or *minus* (as specified in the relevant Note Pricing Supplement) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

For the purposes of this Note Condition 7A(b):

"**Benchmark**" means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Note Condition 7A.

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Note Condition 7A(c) below will apply.

"**Compounded SOFR**" with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{\mathrm{SOFR}_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" is the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the relevant Note Pricing Supplement, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Note Pricing Supplement, the relevant Observation Period;

"**d_o,**" is the number of U.S. Government Securities Business Days in

(i) where "Lag" is specified as the Observation Method in the relevant Note Pricing Supplement, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Notes Pricing Supplement, the relevant Observation Period;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in

(i) where "Lag" is specified as the Observation Method in the relevant Note Pricing Supplement, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Note Pricing Supplement, the relevant Observation Period,

to and including the last US Government Securities Business Day in such period;

"**Interest Determination Dates**" means, in respect of any Interest Period, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "**p**" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"$\mathbf{n_i}$" for any U.S. Government Securities Business Day "i" in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("**i+1**");

"**Observation Period**" in respect of an Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Pricing Supplement and has to be no less than 5 U.S. Government Securities Business Days;

"**SOFR**" with respect to any U.S. Government Securities Business Day, means:

(i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or

(ii) subject to Note Condition 7A(c) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFRi**" means the SOFR for: means

(i) where "Lag" is specified as the Observation Method in the applicable Note Pricing Supplement, the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Note Pricing Supplement, the relevant U.S. Government Securities Business Day "i"; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(c) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Trustee or the Noteholders.

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(i) will be conclusive and binding absent manifest error;

(ii) will be made in the sole discretion of the Issuer; and

(iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

For the purposes of this Note Condition 7A(c):

"**Benchmark**" means, initially, Compounded SOFR, as such term is defined above; **provided that** if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

(i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;

(ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or

(iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period", the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (A) the date of the public statement or publication of information referenced therein and (B) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(d) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Note Condition 7A will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Note Condition 20 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory:

(i) confirming (A) that a Benchmark Transition Event has occurred, (B) the relevant Benchmark Replacement and, (C) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Note Condition 7A; and

(ii) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

7B. **Interest – Floating Rate Notes referencing SOFR Compounded Index**

Where "Index Determination" is specified in the Note Pricing Supplement as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\left(\frac{SOFR\ Compounded\ Index\ End}{SOFR\ Compounded\ Index\ Start} - 1\right) \times \frac{Numerator}{d}$$

to the Relevant Decimal Place, *plus* or *minus* the Margin (if any), all as determined and calculated by the Calculation Agent, as applicable, where:

"**d**" is the number of calendar days from (and including) the day on which the SOFR Compounded Index Start is determined to (but excluding) the day on which the SOFR Compounded Index End is determined;

"**End**" means the SOFR Compounded Index value on the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"**Index Days**" means U.S. Government Securities Business Days;

"**Numerator**" means 360, or as otherwise specified in the Note Pricing Supplement;

"**Relevant Decimal Place**" shall, unless otherwise specified in the Note Pricing Supplement, be the seventh decimal place, in each case rounded up or down, if necessary (with 0.000005 or, as the case may be, 0.00000005 being rounded upwards);

"**Relevant Number**" is as specified in the applicable Note Pricing Supplement, but, unless otherwise specified, shall be five;

"**SOFR Compounded Index**" means the Compounded Daily SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source;

"**Start**" means the SOFR Compounded Index value on the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities,

provided that a Benchmark Event has not occurred in respect of the SOFR Compounded Index, if, with respect to any Interest Period, the relevant rate is not published for the SOFR Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Note Pricing Supplement and as if Compounded Daily SOFR (as defined in Note Condition 7A (*Interest – Floating Rate Notes referencing SOFR*)) had been specified instead in the Note Pricing Supplement and where "p" for the purposes of that definition in Note Condition 7A (*Interest – Floating Rate Notes referencing SOFR*) shall be deemed to be the same as the Relevant Number specified in the Note Pricing Supplement. For the avoidance of doubt, if a Benchmark Event has occurred in respect of the SOFR Compounded Index, the provisions of Note Condition 7(i) (*Floating Rate Note Provisions – Benchmark Discontinuation*) shall apply.

7C. **Interest – Floating Rate Notes referencing SORA**

(a) This Note Condition 7C is applicable to the Notes only if the Floating Rate Note Provisions are specified as applicable in the relevant Note Pricing Supplement and the "Reference Rate" is specified as "SORA" in the relevant Note Pricing Supplement.

(b) Where the Reference Rate is specified as "SORA" in the relevant Note Pricing Supplement, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be equal to the relevant SORA Benchmark (as defined below) plus or minus (as specified in the relevant Note Pricing Supplement) the Margin.

For the purposes of this Note Condition 7C(b):

"**SORA Benchmark**" will be determined based on either Compounded Daily SORA or Compounded Index SORA, as follows (subject in each case to Note Condition 7C(c)):

(i) If Compounded Daily SORA is specified as applicable in the relevant Note Pricing Supplement, the SORA Benchmark for each Interest Accrual Period shall be determined based on Compounded Daily SORA which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Note Pricing Supplement) on the relevant Interest Determination Date in accordance with one of the formulas referenced below depending upon which is specified in the relevant Note Pricing Supplement:

(A) Where SORA Lockout is specified in the relevant Note Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Note Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{\mathrm{SORA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Accrual Period;

"$\mathbf{d_o}$", for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Interest Accrual Period;

"**i**", for the relevant Interest Accrual Period, is a series of whole numbers from one to do, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Accrual Period to the last Singapore Business Day in such Interest Accrual Period;

"**Interest Determination Date**" means the Singapore Business Day immediately following the SORA Rate Cut-off Date;

"$\mathbf{n_i}$", for any Singapore Business Day "i", is the number of calendar days from and including such Singapore Business Day "i" up to but excluding the following Singapore Business Day;

"**SORA Rate Cut-Off Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date falling five Singapore Business Days (or such other number of Singapore Business Days specified in the relevant Note Pricing Supplement) prior to the Interest Payment Date in respect of the relevant Interest Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days specified in the relevant Note Pricing Supplement) prior to such earlier date, if any, on which the Notes become due and payable);

"**Singapore Business Days**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the "Relevant Screen Page") on the Singapore Business Day immediately following such Singapore Business Day;

"**$SORA_i$**" means, in respect of any Singapore Business Day "i" falling in the relevant Interest Accrual Period:

(1) if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and

(2) if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the "**Suspension Period $SORA_i$**") (such first day of the Suspension Period coinciding with the SORA Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period SORAi shall apply to each day falling in the relevant Suspension Period;

"**SORA Reset Date**" means, in relation to any Interest Accrual Period, each Singapore Business Day during such Interest Accrual Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Interest Accrual Period; and

"**Suspension Period**" means, in relation to any Interest Accrual Period, the period from (and including) the date falling five Singapore Business Day prior to the Interest Payment Date in respect of the relevant Interest Accrual Period or such other date specified in the relevant Note Pricing Supplement (such Singapore Business Day coinciding with the SORA Rate Cut-Off Date) to (but excluding) the Interest Payment Date of such Interest Accrual Period;

(B) Where SORA Lookback is specified in the relevant Note Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Note Pricing

Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{\text{SORA}_{i-x\,SBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Accrual Period;

"$\mathbf{d_o}$", for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Interest Accrual Period;

"**i**", for the relevant Interest Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Accrual Period to the last Singapore Business Day in such Interest Accrual Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period unless otherwise specified in the relevant Note Pricing Supplement;

"$\mathbf{n_i}$", for any Singapore Business Day "$_i$", is the number of calendar days from and including such Singapore Business Day "$_i$" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Interest Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Note Pricing Supplement) prior to the first day of such Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Note Pricing Supplement) prior to the Interest Payment Date at the end of such Interest Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Note Pricing Supplement) prior to such earlier date, if any, on which the Notes become due and payable);

"**Singapore Business Day**" or "**SBD**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day "i"; and

"**$SORA_{i-x\,SBD}$**" means, in respect of any Singapore Business Day "i" falling in the relevant Interest Accrual Period, the reference rate equal to SORA in respect of the Singapore Business Day falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Note Pricing Supplement) prior to the relevant Singapore Business Day "i".

(C) Where SORA Backward Shifted Observation Period is specified in the relevant Note Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Note Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{\mathrm{SORA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Observation Period;

"**d_o**", for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Observation Period;

"**i**", for the relevant Interest Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Note Pricing Supplement;

"**n_i**", for any Singapore Business Day "$_i$", is the number of calendar days from and including such Singapore Business Day "$_i$" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Interest Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Note Pricing Supplement) prior to the first day of such Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Note Pricing Supplement) prior to the Interest Payment Date at the end of such Interest Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Note Pricing Supplement) prior to such earlier date, if any, on which the Notes become due and payable);

"**Singapore Business Days**" or "**SBD**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day "i"; and

"**$SORA_i$**" means, in respect of any Singapore Business Day "i" falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day "i".

(D) Where SORA Payment Delay is specified in the relevant Note Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Note Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{\mathrm{SORA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Accrual Period;

"**d_o**", for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Interest Accrual Period;

"**i**", for the relevant Interest Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Accrual Period to the last Singapore Business Day in such Interest Accrual Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Interest Accrual Period, **provided that**, if SORA Lockout is specified in the applicable Note Pricing Supplement in addition to SORA Payment Delay, the Interest Determination Date with respect to the final Interest Accrual Period will be the date falling one Singapore Business Day after the SORA Rate Cut-Off Date;

"**Interest Payment Date**" shall be the date falling the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date, **provided that**, if SORA Lockout is specified in the applicable Note Pricing Supplement in addition to SORA Payment Delay and the Notes are being redeemed, the Interest Payment Date with respect to the final Interest Accrual Period will be the redemption date;

"**Interest Payment Delay**" means five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement);

"$\mathbf{n_i}$", for any Singapore Business Day "$_i$", is the number of calendar days from and including such Singapore Business Day "$_i$" up to but excluding the following Singapore Business Day;

"**Singapore Business Day**" or "**SBD**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "i";

"$\mathbf{SORA_i}$" means, in respect of any Singapore Business Day falling in the relevant Interest Accrual Period, the reference rate equal to SORA in respect of that Singapore Business Day; and

"**SORA Rate Cut-Off Date**" means the date that is a number of Singapore Business Days prior to the end of the final Interest Accrual Period or the relevant redemption date, as applicable, as specified in the applicable Note Pricing Supplement.

For the purposes of calculating Compounded Daily SORA with respect to the final Interest Accrual Period ending on the Maturity Date or any redemption date, the level of SORA for each Singapore Business Day in the period from (and including) the SORA Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant redemption date, as applicable, shall be the level of SORA in respect of such SORA Rate Cut-Off Date.

For the avoidance of doubt, the formula for the calculation of Compounded Daily SORA only compounds SORA in respect of any Singapore Business Day. SORA applied to a day that is not a Singapore Business Day will be taken by applying SORA for the previous Singapore Business Day but without compounding.

(ii) For each Floating Rate Note where the Reference Rate is specified as being SORA Index Average, the SORA Benchmark for each Interest Accrual Period shall be determined based on the SORA Index Average which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Note Pricing Supplement) on the relevant Interest Determination Date as follows:

$$\left(\frac{\text{SOFR Index}_{\text{End}}}{\text{SOFR Index}_{\text{Start}}} - 1\right) \times \left(\frac{365}{d}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards, where:

"$\mathbf{d_c}$" means the number of calendar days from (and including) the SORA IndexStart to (but excluding) the SORA IndexEnd;

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA Index**" means, in relation to any Singapore Business Day, the SORA Index as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) at the SORA Index Determination Time, **provided that** if the SORA Index does not so appear at the SORA Index Determination Time, then, if a SORA Index Benchmark Event has not occurred, the "SORA Index Average" shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with the Compounded Daily SORA formula described above in Note Condition 7C(b)(ii) above, and the Observation Period shall be calculated with reference to the number of Singapore Business Days preceding the first date of the relevant Interest Accrual Period that is used in the definition of SORA IndexStart as specified in the applicable Note Pricing Supplement;

"$\mathbf{SORA}_{\mathbf{IndexEnd}}$" means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Note Pricing Supplement) preceding the last date of the relevant Interest Accrual Period, or the relevant redemption date, as applicable;

"**SORA Index$_{\text{Start}}$**" means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Note Pricing Supplement) preceding the first date of the relevant Interest Accrual Period; and

"**SORA Index Determination Time**" means, in relation to any Singapore Business Day, approximately 3:00 p.m. (Singapore time) on such Singapore Business Day.

(iii) If, subject to Note Condition 7C(c), by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such Singapore Business Day "i", SORA in respect of such day "i" has not been published and a SORA Benchmark Event has not occurred, then SORA for that Singapore Business Day "i" will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.

(iv) If the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Note Pricing Supplement), subject to Note Condition 7C(c), the Rate of Interest shall be:

(A) that determined as at the last preceding Interest Determination Date or as the case may be, SORA Rate Cut-Off Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the relevant Note Pricing Supplement) relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or

(B) if there is no such preceding Interest Determination Date or as the case may be, SORA Rate Cut-Off Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

(v) If the relevant Series of Notes becomes due and payable in accordance with Note Condition 13 (*Events of Default*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Note Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the applicable SORA Benchmark formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(c) Benchmark Replacement (SORA)

(i) Independent Adviser

Notwithstanding the provisions above in this Note Condition 7C(c), if a SORA Benchmark Event occurs in relation to an Original Reference Rate prior to the relevant Interest Determination Date when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Note Condition 7C(c)(ii) and an Adjustment Spread, if any (in accordance with Note Condition 7C(c)(iii)), and any Benchmark Amendments (in accordance with Note Condition 7C(c)(iv)) by the relevant Interest Determination Date.

An Independent Adviser appointed pursuant to this Note Condition 7C(c)(i) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Principal Paying Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Note Condition 7C(c).

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Note Condition 7C(c)(ii)) and an Adjustment Spread if any (in accordance with Note Condition 7C(c)(iii)) and any Benchmark Amendments (in accordance with Note Condition 7C(c)(iv)).

If the Issuer or Independent Adviser appointed by it is unable to or does not determine the Benchmark Replacement prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a First Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest which would have been applicable to the Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Note Condition 7C(c)(i).

(ii) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7C(c)(i)) shall (subject to adjustments as provided for in Note Condition 7C(c)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Note Condition 7C(c)).

(iii) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7C(c)(i)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (ii) the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement. If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7C(c)(i)) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as the case may be) will apply without an Adjustment Spread.

(iv) Benchmark Amendments

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7C(c)(i)) (as the case may be) determines that (i) Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread, and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Note Condition 7C(c)(v), without any requirement for the consent or approval of Noteholders, the Trustee or the Agents, vary these Note Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by an Authorised Signatory pursuant to Note Condition 7C(c)(v), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), **provided that** the Trustee, the Calculation Agent and/or the Agents shall not be obliged so to concur if in the reasonable opinion of the Trustee, the Calculation Agent and/or the Agents doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Note Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Note Conditions as may be required in order to give effect to this Note Condition 7C(c)(iv). Noteholders' consent shall not be required in connection with the effecting of the Benchmark Replacement or such other changes, including the execution of other documents or any steps by the Trustee the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or the Independent Adviser with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Note Condition 7C(c)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

The occurrence of a SORA Benchmark Event shall be determined by the Issuer and any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Note Condition 7C(c) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Principal Paying Agent and, in accordance with Note Condition 20 (*Notices*), the Noteholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date for such Benchmark Replacement, any related Adjustment Spread and of the Benchmark Amendments, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory.

(A) confirming

(i) that a SORA Benchmark Event has occurred;

(ii) the Benchmark Replacement; and

(iii) where applicable, any Adjustment Spread, and/or the specific terms of the Benchmark Amendments (if any),

in each case as determined in accordance with the provisions of this Note Condition 7C(c); and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement (if any), the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement (if any), the Adjustment Spread (if any) or the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Guarantor, the Trustee, the Calculation Agent, the Paying Agents, the Noteholders and the Couponholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Note Conditions 7C(c)(i) to 7C(c)(iv), the Original Reference Rate and the fallback provisions provided for in Note Condition 7C(c) will continue to apply unless and until the Calculation Agent has been notified of the Benchmark Replacement, and any applicable Adjustment Spread, and Benchmark Amendments, in accordance with Note Condition 7C(c)(v).

For purposes of this Note Condition 7C(c):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7C(c)(i)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

(i) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body;

(ii) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or

(iii) is determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7C(c)(i)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate; or with the applicable Benchmark Replacement for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest accrual period and in the same currency as the Notes;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7C(c)(i)) (as the case may be) determines in accordance with Note Condition 7C(c)(ii) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the international or, if applicable, domestic debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes (including, but not limited to, Singapore Government Bonds);

"**Benchmark Amendments**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Accrual Period", timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Interest Accrual Period, any other amendments to these Note Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7C(c)(i)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7C(c)(i)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7C(c)(i)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7C(c)(i)) (as the case may be)) determines is reasonably necessary;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Note Condition 7C(c)(i)) (as the case may be):

(i) the Successor Rate;

(ii) the ISDA Fallback Rate; and

(iii) the Alternative Rate;

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or with experience in the local or international debt capital markets appointed by and at the expense of the Issuer under Note Condition 7C(c)(i);

"**ISDA Fallback Adjustment**" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Original Reference Rate**" means, initially, SORA (being the originally specified benchmark rate used to determine SORA Benchmark and the Rate of Interest) **provided that** if a SORA Benchmark Event has occurred with respect to SORA or the then-current Original Reference Rate, then "**Original Reference Rate**" means the applicable Benchmark Replacement;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored or endorsed by, chaired or co-chaired by or constituted at the request of:

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;

(B) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);

(C) a group of the aforementioned central banks or other supervisory authorities; or

(D) the Financial Stability Board or any part thereof;

"**SORA Benchmark Event**" means the occurrence of one or more of the following events:

(i) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences by a specified date; or

(v) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date, be deemed to be no longer representative; or

(vi) it has become unlawful for the Principal Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that the SORA Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition or restriction of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement of the Original Reference Rate (which rate may be produced by the Monetary Authority of Singapore or such other administrator) for the Corresponding Tenor.

8. **Zero Coupon Note Provisions**

(a) *Application:* This Note Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified as applicable in the relevant Note Pricing Supplement.

(b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

(a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Note Condition 10 (*Payments – Bearer Notes*) and Note Condition 11 (*Payments – Registered Notes*).

(b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if this Note is not a Floating Rate Note); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified as applicable in the relevant Note Pricing Supplement),

on giving not less than 15 nor more than 30 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Note Pricing Supplement, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to (but excluding) the date fixed for redemption, if immediately before giving such notice, the Issuer satisfies the Trustee that: (1) on the occasion of the next payment due under the Notes, the Issuer (or if the Guarantee of the Notes was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Note Condition 12 (*Taxation*), or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws or regulations (or rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements (including a holding by a court of competent jurisdiction), or the Notes do not qualify as "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

provided, however, that no such notice of redemption shall be given earlier than:

(A) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Note Pricing Supplement) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or

(B) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Note Pricing Supplement) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (A) a certificate signed by an Authorised Signatory stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion, in form and substance satisfactory to the Trustee, of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer or the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change or amendment, interpretation or pronouncement.

The Trustee shall be entitled to accept and rely upon such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Note Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Note Condition 9(b).

References in this Note Condition 9(b) to "independent legal, tax or any other professional advisers of recognised standing" are not intended to and shall not in the ordinary course exclude any of the Issuer's usual tax or legal advisers, or any such adviser who may have tendered professional services to the Issuer in connection with the issue and offering of the Notes.

(c) *Redemption at the option of the Issuer:* If the Call Option is specified as applicable in the relevant Note Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Note Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Note Pricing Supplement (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to (but excluding) such date).

(d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Note Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent and the Issuer approve and in such manner as the Principal Paying Agent and the Issuer consider appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Note Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Note Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) *Redemption at the option of Noteholders:* If the Put Option is specified as applicable in the relevant Note Pricing Supplement, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to (but excluding) such date. In order to exercise the option contained in this Note Condition 9(e) (*Redemption and Purchase – Redemption at the option of Noteholders*), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Note Pricing Supplement), deposit with any Paying Agent during normal business hours of such Paying Agent such Note together with all unmatured Coupons and all unexchanged Talons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Note Condition 9(e) (*Redemption and Purchase – Redemption at the option of Noteholders*), may be withdrawn without the prior consent of the Issuer; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Note Condition 9(e) (*Redemption and Purchase – Redemption at the option of Noteholders*), the depositor of such Note and not such Paying Agent or CDP Issuing and Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(f) *Redemption upon Cessation or Suspension of Trading Event*: At any time following the occurrence of a Cessation or Suspension of Trading Event, the Holder of any Note will have the right, at such Holder's option, to require the Issuer to redeem all, but not some only, of that Holder's Notes on the Cessation or Suspension of Trading Put Date at a price equal to the Early Redemption Amount (Cessation or Suspension of Trading Event), together with interest accrued (if any) to (but excluding) the Cessation or Suspension of Trading Put Date.

In order to exercise the option contained in this Note Condition 9(f) (*Redemption and Purchase – Redemption for Cessation or Suspension of Trading*), the Holder of a Note must deposit at the Specified Office of any Paying Agent a duly completed and signed notice of redemption, substantially in the form scheduled to the Agency Agreement, obtainable from the Specified Office of any Paying Agent (a "**Cessation or Suspension of Trading Put Notice**"), together with a certificate evidencing the Notes to be redeemed and with all unmatured Coupons relating thereto, by not later than 30 days following a Cessation or Suspension of Trading Event, or, if later, 30 days following the date upon which notice thereof is given to the Noteholders by the Issuer in accordance with Note Condition 20 (*Notices*).

The "**Cessation or Suspension of Trading Put Date**" shall be (a) the immediately following Interest Payment Date after, or (b) the fourteenth day after, the expiry of such period of 30 days as referred to above in this Note Condition 9(f) (whichever is earlier).

A Cessation or Suspension of Trading Put Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes, which are the subject of the Cessation or Suspension of Trading Put Notices delivered as aforesaid, on the Cessation or Suspension of Trading Put Date.

The Issuer shall give notice to the Noteholders (in accordance with Note Condition 20 (*Notices*)) and the Trustee and the Principal Paying Agent in writing within seven days after the Cessation or Suspension Effective Date, which notice shall specify the procedure for exercise by Holders of their rights to require redemption of the Notes pursuant to this Note Condition 9(f).

For the purposes of this Note Condition 9(f):

"**Cessation or Suspension of Trading Event**" means, in respect of the shares of the Guarantor, the occurrence of one or more of the following events:

(a) the shares of the Guarantor cease to be traded on the SGX-ST; or

(b) trading in the shares of the Guarantor on the SGX-ST is suspended for a continuous period of more than seven Exchange Business Days;

"**Cessation or Suspension of Trading Effective Date**" means:

(a) (in the case where the shares of the Guarantor cease to be traded on the SGX-ST) the date of cessation of such trading of shares of the Guarantor; or

(b) (in the case where trading in the shares of the Guarantor on the SGX-ST is suspended for a continuous period of more than seven Exchange Business Days) the day immediately following the expiry of such seven-Exchange Business Day period; and

"**Exchange Business Day**" means a day on which the SGX-ST is open for trading in securities.

(g) *Redemption in the case of minimal outstanding amount*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Interest Payment Date, on the Issuer giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable) at the Early Redemption Amount (Minimal Outstanding Amount), if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

(h) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided above or as otherwise specified in the relevant Note Pricing Supplement.

(i) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Note Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Note Pricing Supplement for the purposes of this Note Condition 9(i) (*Early redemption of Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

(j) *Purchase:* The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons and all unexchanged Talons are purchased therewith.

(k) *Cancellation:* All Notes purchased by or on behalf of the Issuer, the Guarantor and/or any of their respective Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Principal Paying Agent at its Specified Office and, in the case of Registered Notes, by surrendering the Note Certificate representing such Notes to the Registrar and, in each case, if so surrendered, the same shall, together with all Notes redeemed by the Issuer or the Guarantor, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

(l) *Calculations:* Neither the Trustee nor any of the Agents (other than the Calculation Agent and solely in respect of its functions as an appointed Calculation Agent of the Issuer) shall be responsible for calculating or verifying the calculations of any amount under any notice of redemption or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto, and shall not be liable to the Noteholders or any other person for not doing so.

(m) *Notices of redemption*: If there is more than one notice of redemption given in respect of any Note (which shall include any notice given by the Issuer pursuant to Note Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*), Note Condition 9(d) (*Redemption and Purchase – Redemption at the option of the Issuer*) or Note Condition 9(g) (*Redemption in the case of minimal outstanding amount*) or any Put Option Notice given pursuant to Note Condition 9(e) (*Redemption and Purchase – Redemption at the option of Noteholders*) and any Cessation or Suspension of Trading Put Notice given pursuant to Note Condition 9(f) (*Redemption and Purchase – Redemption upon Cessation or Suspension of Trading Event*)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail.

10. Payments – Bearer Notes

This Note Condition 10 is only applicable to Bearer Notes.

(a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States (i) in case of Singapore dollars, by transfer to an account denominated in Singapore dollars and maintained by the payee with a bank in Singapore, (ii) in the case of a currency other than Renminbi or Singapore dollars, by transfer to an account denominated in the currency in which the payment is due on (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency, and (iii) in the case of Renminbi, by transfer to an account denominated in Renminbi and maintained by the payee with a bank in Hong Kong.

(b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) *Payments subject to fiscal laws:* All payments in respect of Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Note Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Note Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Deductions for unmatured Coupons:* If the relevant Note Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(f) *Unmatured Coupons void:* If the relevant Note Pricing Supplement specifies that this Note Condition 10(f) (*Unmatured Coupons void*) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Note Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*), Note Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*), Note Condition 9(e) (*Redemption at the option of Noteholders*) or Note Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) (*Payments in New York City*) above).

(i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Note Condition 14 (*Prescription*). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

(k) *Renminbi fallback*: Notwithstanding any other provision in these Note Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer or the Guarantor, in their sole discretion, are not able to satisfy payments of principal or interest in respect of Bearer Notes when due in Renminbi in Singapore, the Issuer or, as the case may be, the Guarantor may, on giving not less than 10 nor more than 30 days' irrevocable notice to the Noteholders and the Paying Agent prior to the due date for the relevant payment, settle any such payment in Singapore dollars on the due date at the Singapore Dollar Equivalent of any such Renminbi denominated amount. In such event, payment of the Singapore Dollar Equivalent (as applicable) of the relevant amounts due under the Bearer Notes shall be made by transfer to a Singapore dollar denominated account maintained by the payee with a bank in Singapore.

11. **Payments – Registered Notes**

This Note Condition 11 is only applicable to Registered Notes.

(a) *Principal:* Payments of principal shall be made:

(i) in the case of a currency other than Renminbi and Singapore dollars, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by wire transfer to a registered account denominated in that currency in which payment is due (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency;

(ii) in the case of Renminbi, by wire transfer to a registered account denominated in Renminbi and maintained by the payee with a bank in Hong Kong, and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent; and

(iii) in the case of Singapore dollars, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by wire transfer to a registered account denominated in Singapore dollars and maintained by the payee with a bank in Singapore.

(b) *Interest:* Payments of interest shall be made:

(i) in the case of a currency other than Renminbi and Singapore dollars, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by wire transfer to a registered account denominated in that currency in which payment is due (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency;

(ii) in the case of Renminbi, by wire transfer to a registered account denominated in Renminbi and maintained by the payee with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth Business Day before the due date for payment, and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent; and

(iii) in the case of Singapore dollars, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by wire transfer to a registered account denominated in Singapore dollars and maintained by the payee with, a bank in Singapore.

(c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Note Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Note Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) *Payments on business days:* Payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

(e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the close of business in the place of the relevant Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**").

(g) *Renminbi fallback*: Notwithstanding any other provision in these Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer or the Guarantor, in their sole discretion, are not able to satisfy payments of principal or interest in respect of Registered Notes when due in Renminbi in Singapore, the Issuer or, as the case may be, the Guarantor may, on giving not less than 10 nor more than 30 days' irrevocable notice to the Noteholders and the Paying Agent prior to the due date for the relevant payment, settle any such payment in Singapore dollars on the due date at the Singapore Dollar Equivalent of any such Renminbi denominated amount. In such event, payment of the Singapore Dollar Equivalent (as applicable) of the relevant amounts due under the Registered Notes shall be made by transfer to a Singapore dollar denominated account maintained by the payee with a bank in Singapore.

*For so long as any of the Notes that are cleared through Euroclear or Clearstream or any other clearing system are represented by a Global Note or a Global Note Certificate, each payment in respect of the Global Note or the Global Note Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January. For so long as any of the Notes that are cleared through CDP are represented by a Global Note or a Global Note Certificate, the record date for purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Note shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by CDP).*

12. **Taxation**

(a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore or any political subdivision therein or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Note Certificate representing it is presented) for payment:

(i) held by or on behalf of a Holder who is (A) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (B) liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of it having some connection with the jurisdiction by which such taxes, duties, assessments or governmental charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or

(ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days; or

(iii) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Note Certificate representing it), or Coupon is presented for payment, but fails to do so.

Notwithstanding any other provision of these Note Conditions, in no event will the Issuer or the Guarantor be required to pay any additional amounts in respect of the Notes and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(b) *Taxing jurisdiction:* If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than Singapore, references in these Note Conditions to "Singapore" shall be construed as references to Singapore and/or such other jurisdiction.

(c) Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Note Condition 12 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, any Noteholder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction, or be responsible to provide any notice or information in relation to the Notes in connection with payment of such tax, duty, charges, withholding or other payment in any jurisdiction, or be responsible to provide any notice or information in relation to the Notes in connection with payment of such tax, duty, charges, withholding or other payment in any jurisdiction.

13. **Events of Default**

If any of the following events (each an "**Event of Default**") occurs and is continuing, then the Trustee at its discretion may, and if so requested in writing by Noteholders holding at least 25 per cent. in aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall in each case, (subject to the Trustee being indemnified and/or pre-funded and/or provided with security to its satisfaction) give written notice to the Issuer and the Guarantor that the Notes are immediately repayable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued and unpaid interest to the date of payment (if any) without further action or formality:

(a) the Issuer does not pay any sum payable by it under any of the Notes within seven days of its due date;

(b) the Issuer or the Guarantor does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in sub-paragraph (a) above) under any of the Notes or the Trust Deed and (except in a case where such default is not capable of remedy) if it is not remedied within 30 days of its occurrence;

(c) (i) any indebtedness of the Issuer, the Guarantor or any of their respective Principal Subsidiaries in respect of borrowed moneys is declared due and payable or accelerated (in each case) prior to its stated maturity as a result of the occurrence of an event of default, howsoever called;

(ii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries defaults in the repayment or discharge of any such indebtedness when due or at the expiration of any grace period originally applicable thereto or permitted under the agreement or other document evidencing or constituting such indebtedness; or

(iii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries fails to pay when properly called upon to do so under any guarantee or indemnity for borrowed moneys,

provided always that no Event of Default will occur under this paragraph (c) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events referred to in this paragraph (c) having occurred equals or exceeds S$75,000,000 (or its equivalent in any other currency);

(d) the Issuer, the Guarantor or any of their respective Principal Subsidiaries being adjudicated, or otherwise being declared by any legal process to be, insolvent, or becoming insolvent, or admitting, in writing its inability to pay its debts, or being deemed unable (within the meaning of Section 125 of the Insolvency, Restructuring and Dissolution Act 2018 of Singapore) to pay its debts as they mature or become due, or stopping, suspending or threatening to stop or suspend payment of all or any material part of its debts or taking any proceedings or other steps with a view to the rescheduling or deferral of all its indebtedness (or of any material part of its indebtedness which it will or might otherwise be unable to pay when due) or proposing or making any assignment or arrangement or composition with or for the benefit of its creditors or any class of creditors (within the meaning of Section 210 of the Companies Act);

(e) a distress, execution or other legal process being levied or enforced upon or sued out against all or any material part of the assets of the Issuer, the Guarantor or any of their respective Principal Subsidiaries and such distress, execution or other legal process is not dismissed, removed or discharged within 30 days of the date of such distress, execution or other legal process being levied, enforced upon or sued out;

(f) any security on or over all or a material part of the assets of the Issuer, the Guarantor or any of their respective Principal Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and in the case of a Principal Subsidiary only, such an event has or is likely to have a Material Adverse Effect;

(g) an order is made or a resolution being passed or any step (other than those of a frivolous or vexatious nature) being taken for the winding up, amalgamation, reconstruction, reorganisation, merger, consolidation or dissolution of the Issuer, the Guarantor or any of their respective Principal Subsidiaries other than a winding up or dissolution (i) for the purposes of or pursuant to an amalgamation, consolidation, reorganisation, merger or reconstruction and the terms thereof having been previously approved in writing by the Noteholders by way of an Extraordinary Resolution of the Noteholders, or (ii) which is made on solvent terms where the Issuer, the Guarantor or any of the respective Principal Subsidiaries (as the case may be) remains the surviving entity and which does not have a Material Adverse Effect;

(h) a receiver, judicial manager, trustee, agent or similar officer being appointed of or in relation to the Issuer, the Guarantor or any of their respective Principal Subsidiaries or of the whole or any material part of the assets of the Issuer, the Guarantor or any of their respective Principal Subsidiaries;

(i) the Issuer, the Guarantor or any of their respective Principal Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or (otherwise than in the ordinary course of its business) disposes or threatens to dispose of the whole or any material part of its property or assets (in each case, otherwise than for the purposes of such an amalgamation, consolidation, reorganisation, merger or reconstruction as referred to in paragraph (g) above or as permitted by Note Condition 5(c) (*Non-disposal*));

(j) a moratorium is agreed or declared in respect of all or any material part of the indebtedness of the Issuer, the Guarantor or any of their respective Principal Subsidiaries or any step is taken by any governmental authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer, the Guarantor or any of their respective Principal Subsidiaries;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done in order (i) enable each of the Issuer and the Guarantor to lawfully to enter into, exercise its rights and perform and comply with its obligations under each of the Notes or the Trust Deed, (ii) to ensure that those obligations are valid, legally binding and enforceable, and (iii) to make the Notes or the Trust Deed admissible in evidence in the courts of Singapore is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable) and (except in a case where such default is not capable of remedy) it is not remedied within 30 days of its occurrence;

(l) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its payment or other material obligations under any of the Note or the Trust Deed;

(m) any of the Notes or the Trust Deed ceases for any reason (or is claimed by the Issuer or the Guarantor not) to be the legal and valid obligations of the Issuer the Guarantor, binding upon it in accordance with its terms (subject to equitable principles and insolvency laws affecting creditors' rights generally);

(n) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature and which are being contested in good faith) is current or pending (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer or the Guarantor under the Notes or the Trust Deed, or (ii) in respect of claims against the Issuer, the Guarantor or any of their respective Principal Subsidiaries, exceeding in aggregate S$20,000,000 (or its equivalent in other currencies) which, if adversely determined, has or would have a Material Adverse Effect;

(o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraphs (e), (f), (g), (h), (i) or (k); or

(p) the Issuer, the Guarantor or any of their respective Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part 9 of the Companies Act.

14. **Prescription**

Claims for principal and premium (if any) in respect of Bearer Notes, if expressed to be governed by English laws, shall become void unless the relevant Bearer Notes are presented for payment within 10 years of the appropriate Relevant Date. Claims for principal and premium (if any) in respect of Bearer Notes, if expressed to be governed by Singapore laws, shall become void unless the relevant Bearer Notes are presented for payment within three years of the appropriate Relevant Date.

Claims for interest in respect of Bearer Notes, if expressed to be governed by English laws, shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes, if expressed to be governed by Singapore laws, shall become void unless the relevant Coupons are presented for payment within three years of the appropriate Relevant Date.

Claims for principal, premium (if any) and interest on redemption in respect of Registered Notes, if expressed to be governed by English laws, shall become void unless the relevant Note Certificates are surrendered for payment within 10 years of the appropriate Relevant Date. Claims for principal, premium (if any) and interest on redemption in respect of Registered Notes, if expressed to be governed by Singapore laws, shall become void unless the relevant Note Certificates are surrendered for payment within three years of the appropriate Relevant Date.

15. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the relevant Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws, regulations and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the fees, costs and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Note Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Note Certificate, Coupon or Talon) and otherwise as the Issuer, the relevant Registrar and/or such Transfer Agent may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and/or pre-funded and/or provided with security to its satisfaction and relieved from responsibility in certain circumstances and to be paid its fees, costs, expenses and indemnity payments in priority to the claims of the Noteholders. In addition, the Trustee, the Agents and their respective directors and officers are entitled to enter into business transactions with the Issuer, the

Guarantor and any entity relating to the Issuer or the Guarantor without being accountable for the same (including any profit therefrom) to the Noteholders, the Couponholders or any person.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, the Guarantor and the Trustee shall not at any time have any responsibility.

In the exercise of its powers and discretions under these Note Conditions, the Agency Agreement and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Noteholders as a result of such Noteholders being connected in any way with a particular territory or taxing jurisdiction. The Trustee shall not be entitled to require on behalf of any Noteholders, nor shall any Noteholder be entitled to claim, from the Issuer, the Guarantor or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided in Note Condition 12 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Note Condition 12 (*Taxation*) pursuant to the Trust Deed.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and the Guarantor and (to the extent provided therein) the Trustee and the Agents do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Note Pricing Supplement. The Issuer and the Guarantor reserve the right (with the prior approval of the Trustee, such approval not to be unreasonably delayed) at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent, principal registrar, CDP issuing and paying agent, CDP registrar or Calculation Agent and additional or successor paying agents; **provided, however, that**:

(a) the Issuer and the Guarantor shall at all times maintain a principal paying agent and a principal registrar;

(b) the Issuer and the Guarantor shall at all times maintain a CDP issuing and paying agent and a CDP registrar in relation to Notes accepted for clearance through the CDP Service and a CDP registrar;

(c) if a Calculation Agent is specified in the relevant Note Pricing Supplement, the Issuer and the Guarantor shall at all times maintain a Calculation Agent; and

(d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer and the Guarantor shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall be given to the Noteholders by the Issuer in accordance with the Trust Deed.

17. **Meetings of Noteholders; Modification, Waiver and Substitution**

(a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matters affecting their interests, including the modification of any provision of these Note Conditions, the Trust Deed and/or the Agency Agreement. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting (i) may be convened by the Issuer and the Guarantor (acting together) or by the Trustee and (ii) shall be convened by the Trustee (subject to it being first indemnified, pre-funded and/or provided with security to its satisfaction) upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of any Series of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the Series of outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Series of Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the relevant Series of outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders of the relevant Series, whether present or not.

(b) *Written Resolutions and Electronic Consent:*

(i) The Trust Deed provides that:

(A) a written resolution signed by or on behalf of the Noteholders of not less than three-quarters of the aggregate principal amount of a Series of Notes then outstanding who for the time being are entitled to receive notice of a meeting (such a resolution in writing (a "**Written Resolution**") may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders); or

(B) where the Notes are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer and the Guarantor (acting together) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the Noteholders of not less than three-quarters of the aggregate principal amount of a Series of Notes then outstanding (an "**Electronic Consent**"),

shall, in each case for all purposes, be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held.

Electronic Consents are not capable of being communicated by Noteholders through any electronic communications system of CDP. Accordingly, where Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Note Certificate is held by CDP, Electronic Consents will not be possible.

(ii) A Written Resolution and/or Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution and/or Electronic Consent, as the case may be.

(c) *Modification, waiver and substitution:* The Trustee may (but shall not be obliged to), without the consent of the Noteholders, agree to any modification of these Note Conditions, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, not materially prejudicial to the interests of Noteholders and to any modification of the Notes, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error or is required by Euroclear, Clearstream and/or CDP.

In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes, the Trust Deed or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

In addition, pursuant to Note Condition 7A (*Interest – Floating Rate Notes referencing SOFR*), Condition 7C (*Interest – Floating Rate Notes referencing SORA*) and Condition 7(i) (*Floating Rate Note Provisions – Benchmark Discontinuation*), certain changes may be made to the interest calculation provisions of the Floating Rate Notes in the circumstances and as otherwise set out in such Note Condition, without the requirement for consent of the Trustee or the Noteholders.

The Trustee may (subject to any such amendment to the Trust Deed and/or if it is satisfied that to do so would not be materially prejudicial to the interests of Noteholders and Couponholders), without the consent of the Noteholders or Couponholders, at any time agree with the Issuer and the Guarantor to the substitution of the Issuer (or any previous substitute under this Condition) or any Subsidiary of the Issuer (such substituted issuer hereinafter called the "**New Company**") as principal debtor under the Notes, the Coupons and the Trust Deed. Such agreement shall be subject to such other conditions as the Trustee may require in the interests of Noteholders, including (i) execution of a trust deed or some other form of undertaking by the New Company in form and manner satisfactory to the Trustee under which it agrees to be bound by the terms of the Trust Deed, the Notes and the Coupons relating to them with any consequential amendments which the Trustee may deem appropriate, (ii) execution of such other deeds, documents and instruments (if any) as the Trustee may require in order that the substitution is fully effective and (unless the New Company is the Guarantor) the guarantee of the Notes is fully effective in relation to the obligations of the New Company and comply with such other requirements as the Trustee may direct in the interests of the Noteholders and the Couponholders, (iii) the New Company (unless the Trustee otherwise agrees) providing an undertaking in form and manner satisfactory to the Trustee in terms corresponding to Condition 12 (*Taxation*) if the New Company is subject to the taxing jurisdiction of a Substituted Territory other than the Relevant Territory (each as defined in the Trust Deed), and (iv) any two authorised signatories of the New Company (or other officers acceptable to the Trustee) certifying that the New Company is solvent at the time at which the relevant transaction is proposed to be effected. The Trustee may also agree without the consent of Noteholder or Couponholders to the addition of another company as an issuer of Notes under the Programme and the Trust Deed. Any such addition shall be subject to such other conditions as the Trustee may require.

Any such modification, waiver, substitution or authorisation shall be binding on the Noteholders and unless the Trustee agrees otherwise, any such authorisation, waiver, substitution or modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter.

(d) *Direction from Noteholders:* Notwithstanding anything to the contrary in these Note Conditions, the Agency Agreement and/or the Trust Deed, whenever the Trustee is required or entitled by the terms of these Note Conditions, the Trust Deed and/or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions or clarifications from the Noteholders by way of an Extraordinary Resolution and shall have been indemnified, pre-funded and/or provided with security to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or clarification of such directions, or in the event that the directions or clarifications sought are not provided by Noteholders.

(e) *Certificates and reports:* The Trustee may rely without liability to any Noteholder, Couponholder or to any other person on a report, advice, opinion, confirmation or certificate from any lawyers, valuers, accountants (including the auditors, surveyors), financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation, certificate, opinion or advice shall be binding on the Noteholders and the Couponholders.

18. **Enforcement**

At any time after the Notes become due and payable pursuant to Note Condition 13 (*Events of Default*), the Trustee may at any time, at its discretion and without notice, institute such proceedings, actions or steps as it thinks fit to enforce its rights under the Trust Deed or the Agency Agreement in respect of the Notes, but it shall not be bound to do so unless:

(a) it has been so requested in writing by the Noteholders of at least one-quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and

(b) it has been indemnified, pre-funded and/or provided with security to its satisfaction.

No Noteholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

19. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or Couponholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes of any Series (or in all respects except for the issue date and the first payment of interest) and so that the same shall be consolidated and form a single Series with such Notes, and references in these Note Conditions to "Notes" shall be construed accordingly. The Issuer may from time to time create and issue other series of notes having the benefit of the Trust Deed.

20. **Notices**

(a) *Bearer Notes:* Notices to the holders of Bearer Notes shall be valid if published in a leading English language daily newspaper of general circulation in Singapore (which is expected to be *The Business Times*), or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Asia (which is expected to be *The Wall Street Journal, Asian Edition*), **provided that**, for so long as the Bearer Notes are listed and admitted to trading on the Official List of the SGX-ST, notices to Noteholders holding Bearer Notes shall also be valid if published by way of an announcement through the internet-based submission system operated by the SGX-ST. Any such notice shall be deemed to have been given on the date of first publication (or if published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes.

(b) *Registered Notes:* Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register or if published in a leading English language daily newspaper of general circulation in Singapore (which is expected to be The Business Times), or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Asia (which is expected to be The Wall Street Journal, Asian Edition) **provided that**, for so long as the Registered Notes are listed and admitted to trading on the Official List of the SGX-ST, notices to Noteholders holding Registered Notes shall also be valid if published by way of an announcement through the internet-based submission system operated by the SGX-ST. Any such notice shall be deemed to have been given (if published by way of an announcement through the internet-based submission system operated by the SGX-ST) on the date of first publication (or if published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or (if mailed) on the fourth weekday (being a day other than a Saturday, a Sunday or a gazetted public holiday) after the date of mailing.

So long as the Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Note Certificate is held (i) on behalf of Euroclear or Clearstream, or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Note Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Note Certificate; (ii) by CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in the list of Noteholders provided by CDP or, in each case, notices to the holders of Notes of that Series may also be given by way of publication in a leading English language daily newspaper of general circulation in Singapore (which is expected to be The Business Times), **provided that***, in each case, for so long as the Notes represented by such Global Note or Global Note Certificate are listed and admitted to trading on the Official List of the SGX-ST, notices to the*

Noteholders holding such Notes shall also be valid if published by way of an announcement through the internet-based submission system operated by the SGX-ST. Any such notice will be deemed to have been given at 5:00 pm on the day the relevant clearing system receives such notice or two business days after despatch or on the date of first publication, as the case may be.

Notwithstanding the other provisions of this Condition 20, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by mail to such addresses and will be deemed to have been given two days after despatch.

21. **Rounding**

For the purposes of any calculations referred to in these Note Conditions (unless otherwise specified in these Note Conditions or the relevant Note Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all Singapore or United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **Governing Law and Jurisdiction**

(a) *Governing law:* The Trust Deed, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and the Coupons are governed by, and construed in accordance with:

(i) if the Notes are specified to be governed by English law in the applicable Note Pricing Supplement, English law; or

(ii) if the Notes are specified to be governed by Singapore law in the applicable Note Pricing Supplement, Singapore law.

(b) *Jurisdiction:*

(i) (A) if the Notes are specified to be governed by English law in the applicable Pricing Supplement, the English courts, or (B) if the Notes are specified to be governed by Singapore law in the applicable Pricing Supplement, the courts of Singapore (the "**Relevant Courts**") have non-exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and/or the Coupons (a "**Dispute**") and accordingly each of the Issuer, the Guarantor and the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the non-exclusive jurisdiction of the Relevant Courts.

(ii) To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (1) proceedings in any other court with jurisdiction; and (2) concurrent proceedings in any number of jurisdictions.

(c) *Service of process:*

(i) Each of the Issuer and the Guarantor agrees that the documents which start any Dispute under English law (an "**English Law Dispute**") and any other documents required to be served in relation to such English Law Dispute may be served on it by being delivered to Worldwide Flight Services Limited with its address at Building 552 Shoreham Road East, London Heathrow Airport, Hounslow, England, TW6 3UA or to such other person with an address in England or Wales and/or such other address in England or Wales as the Issuer or (as the case may be) the Guarantor may specify by notice in writing to the Trustee. Nothing herein shall affect the right to serve process in any other manner permitted by law. This Note Condition 22(c) (*Service of Process*) applies to English Law Disputes in England and to English Law Disputes elsewhere.

(ii) Each of the Issuer and the Guarantor has, in the English law Trust Deed and the Agency Agreement (in respect of English Law Disputes), submitted to the jurisdiction of the courts of England and Wales.

TERMS AND CONDITIONS OF THE SECURITIES

The following (other than the words in italics) is the text of the terms and conditions of the Securities which, as completed, amended, supplemented and/or varied by the relevant Security Pricing Supplement, will be endorsed on each Security in definitive form issued under the Programme. The terms and conditions applicable to any Security in global form will differ from those terms and conditions which would apply to the Security were it in definitive form to the extent described under "Summary of Provisions Relating to the Instruments while in Global Form". All capitalised terms that are not defined in these Security Conditions will have the meanings given to them in the relevant Security Pricing Supplement. Those definitions will be endorsed on such Bearer Securities or on the Certificates relating to such Registered Securities. References in the Security Conditions to "Securities" are to the Securities of one Series only, not to all Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Securities and in the relevant Security Pricing Supplement.

1. Introduction

(a) *Programme:* SATS Treasury Pte. Ltd. (the "**Issuer**") has established a guaranteed multicurrency debt issuance programme (the "**Programme**") for the issuance of up to US$3,000,000,000 in aggregate principal amount of notes (the "**Notes**") and/or senior and subordinated perpetual capital securities (the "**Securities**", and together with the Notes, the "**Instruments**") guaranteed by SATS Ltd. (the "**Guarantor**"). These terms and conditions relate to the Securities issued under the Programme.

(b) *The Securities:* The Securities may be issued in bearer form ("**Bearer Securities**") or in registered form ("**Registered Securities**"). All subsequent references in these Security Conditions to "**Securities**" are to the Securities which are the subject of the relevant Security Pricing Supplement. Copies of the Trust Deed (as defined below) and the Agency Agreement (as defined below) (i) may be provided by email to the requesting Securityholder or (ii) are available for viewing at normal business hours at the registered office for the time being of the Trustee, being at the date hereof, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom, in each case upon prior written request and satisfactory proof of holding. Copies of the relevant Security Pricing Supplement are available for viewing during normal business hours upon prior written request and satisfactory proof of holding at the Specified Office of the Principal Paying Agent. In the case of Securities cleared through CDP (as defined below), the Securityholders are entitled to the benefit of a deed of covenant entered into with CDP by the Issuer dated 17 November 2023 (the "**CDP Deed of Covenant**").

(c) *Security Pricing Supplement:* Securities issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Securities. Each Tranche is the subject of a perpetual securities pricing supplement (the "**Security Pricing Supplement**") which supplements, amends and/or replaces these terms and conditions (the "**Security Conditions**"). The terms and conditions applicable to any particular Tranche of Securities are these Security Conditions as supplemented, amended and/or replaced by the relevant Security Pricing Supplement. In the event of any inconsistency between these Security Conditions and the relevant Security Pricing Supplement, the relevant Security Pricing Supplement shall prevail.

(d) *Trust Deed:* The Securities are constituted by, are subject to, and have the benefit of a trust deed dated 17 November 2023 (as amended, restated or supplemented from time to time) made between the Issuer, the Guarantor and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall include any successor as Trustee), as supplemented, in respect of the Securities specified to be governed by

Singapore law in the applicable Security Pricing Supplement, by the Singapore supplemental trust deed dated 17 November 2023 (as amended, restated or supplemented from time to time, the "**Singapore Supplemental Trust Deed**") made between the same parties (together, the "**Trust Deed**").

(e) *Agency Agreement:* The Securities are the subject of an agency agreement dated 17 November 2023 (as amended, restated and/or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Guarantor, The Bank of New York Mellon, Singapore Branch, as principal issuing and paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Securities), as CDP issuing and paying agent for Securities cleared through CDP (the "**CDP Issuing and Paying Agent**", which expression includes any successor CDP issuing and paying agent appointed from time to time in connection with the Securities and together with the Principal Paying Agent and the Non-CDP Issuing and Paying Agent (as defined below), the "**Paying Agents**"), The Bank of New York Mellon, London Branch as Non-CDP issuing and paying agent for Securities cleared through Euroclear and/or Clearstream (the "**Non-CDP Issuing and Paying Agent**", which expression includes any successor Non-CDP issuing and paying agent appointed from time to time in connection with the Securities), The Bank of New York Mellon, Singapore Branch as CDP registrar and CDP transfer agent for Securities cleared through CDP (the "**CDP Registrar**" and "**CDP Transfer Agent**", which expression includes any successor CDP registrar and/or CDP Transfer Agent appointed from time to time in connection with the Securities), The Bank of New York Mellon SA/NV, Dublin Branch as Non-CDP registrar and Non-CDP transfer agent for Securities cleared through Euroclear and/or Clearstream (the "**Non-CDP Registrar**" and "**Non-CDP Transfer Agent**", which expression includes any successor Non-CDP Registrar and Non-CDP Transfer Agent appointed from time to time in connection with the Securities), the Paying Agents (together with the CDP Registrar, CDP Transfer Agent, the Non-CDP Registrar and the Non-CDP Transfer Agent, the "**Agents**", which expression includes any successor or additional agents appointed from time to time in connection with the Securities) and the Trustee. In these Security Conditions, all references (other than in relation to the determination of distribution and other amounts payable in respect of the Securities) to the "**Principal Paying Agent**" shall, with respect to a Series of Securities to be cleared other than through CDP (as defined below), be deemed to be references to the Non-CDP Issuing and Paying Agent and all such references shall be construed accordingly; all references to the "**Registrar**" shall, (i) with respect to a Series of Securities to be cleared through CDP, be deemed to be references to the CDP Registrar, and (ii) with respect to a series of Securities to be cleared other than through CDP, be deemed to be references to the Non-CDP Registrar, and all references shall be construed accordingly; and references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

(f) *Summaries:* Certain provisions of these Security Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Securityholders (as defined below) and the holders of the related distribution coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

2. Interpretation

(a) *Definitions:* In these Security Conditions the following expressions have the following meanings:

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Security Pricing Supplement;

"**Additional Distribution Amount**" has the meaning ascribed to it in Security Condition 5(d)(iv) (*Distribution – Distribution Deferral – Cumulative Deferral*);

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Security Pricing Supplement;

"**Authorised Signatory**" shall have the meaning given to it in the Trust Deed;

"**Arrears of Distribution**" has the meaning ascribed to it in Security Condition 5(d)(iv) (*Distribution – Distribution Deferral – Cumulative Deferral*);

"**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets settle payments generally in London, Singapore and each (if any) Additional Business Centre;

(b) in relation to any sum payable in Singapore dollars:

(A) if cleared through Euroclear and/or Clearstream, a day (other than a Saturday, Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets are open for business and settle payments in London;

(B) if cleared through CDP, a day (other than a Saturday, Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets are open for business and settle payments in Singapore;

(c) in relation to any sum payable in Renminbi, (A) if cleared through Euroclear and Clearstream, a day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed or such other location outside the People's Republic of China as may have been agreed between the Issuer and the Principal Paying Agent prior to the issue of the Securities and specified in the applicable Securities Pricing Supplement and (B) if cleared through CDP, a day other than a Saturday or Sunday or gazetted public holiday on which commercial banks and foreign exchange markets are open for business in Singapore; and

(d) in relation to any sum payable in a currency other than euro, Renminbi and Singapore dollars, a day (other than a Sunday, a Saturday or a gazetted public holiday) on which commercial banks and foreign exchange markets settle payments generally in Singapore, the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Security Pricing Supplement and, if so specified in the relevant Security Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Security Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that**:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the calculation agent as appointed by the Issuer in respect of a Series of Securities pursuant to the terms of the Agency Agreement and/or as specified in the relevant Security Pricing Supplement as the party responsible for calculating the Rate(s) of Distribution and Distribution Amount(s) and/or such other amount(s) as may be specified in the relevant Security Pricing Supplement;

"**Calculation Amount**" has the meaning given in the relevant Security Pricing Supplement;

"**CDP**" means The Central Depository (Pte) Limited;

"**Clearstream**" means Clearstream Banking, S.A.;

"**Companies Act**" means the Companies Act 1967 of Singapore;

"**Compulsory Distribution Payment Event**" means any event which occurs when either or both of the following criteria are met:

(a) a dividend, distribution or other payment is declared, paid or made on any of the Issuer's Junior Obligations or, in the case of Subordinated Securities only (except on a *pro rata* basis) any of the Issuer's Parity Obligations; or

(b) the Issuer redeems, reduces, cancels, buys-back or acquires for any consideration any of its Junior Obligations or, in the case of Subordinated Securities only (except on a *pro rata* basis) any of its Parity Obligations,

except, in either case, (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group, (ii) as a result of the exchange or conversion of its Parity Obligations for its Junior Obligations and/or (iii) as otherwise specified in the relevant Security Pricing Supplement.

"**Coupon Sheet**" means, in respect of a Security, a coupon sheet relating to the Security;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Security Conditions or the relevant Security Pricing Supplement and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

   (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

   (ii) where the Calculation Period is longer than one Regular Period, the sum of:

      (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

      (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(b) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Determination Business Day**" means a day (other than a Saturday or Sunday or a gazetted public holiday) on which commercial banks are open for general business (including dealings in foreign exchange) in Singapore;

"**Determination Date**" means the day which is seven Determination Business Days before the due date of the relevant amount under these Security Conditions;

"**Distribution**" has the meaning ascribed to it in Security Condition 5(a)(*Distribution*) and includes Arrears of Distribution and Additional Distribution Amount (if any) whether or not so specified in these Security Conditions;

"**Distribution Accrual Period**" means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Period End Date and each successive period beginning on (and including) a Distribution Period End Date and ending on (but excluding) the next succeeding Distribution Period End Date;

"**Distribution Amount**" means, in relation to a Security:

(a) in respect of a Distribution Accrual Period, the amount of distribution payable per Calculation Amount for that Distribution Accrual Period;

(b) in respect of a Distribution Period, the amount of distribution payable in respect of that Security for that Distribution Period;

"**Distribution Commencement Date**" means in respect of any Securities, the Issue Date or such other date as may be specified as the Distribution Commencement Date in the relevant Security Pricing Supplement;

"**Distribution Determination Date**" has the meaning given in the relevant Security Pricing Supplement;

"**Distribution Payment Date**" means the First Distribution Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Security Pricing Supplement and, if a Business Day Convention is specified in the relevant Security Pricing Supplement:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Security Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Distribution Commencement Date (in the case of the First Distribution Payment Date) or the previous Distribution Payment Date (in any other case);

"**Distribution Period**" means each period beginning on (and including) the Distribution Commencement Date or any Distribution Payment Date and ending on (but excluding) the next Distribution Payment Date;

"**Distribution Period End Date**" means each Distribution Payment Date unless specified in the relevant Pricing Supplement;

"**Dividend Pusher Lookback Period**" means, if Dividend Pusher is specified as applicable in the relevant Security Pricing Supplement, the period specified in the relevant Security Pricing Supplement;

"**Early Redemption Amount (Accounting Event)**" means, in respect of any Security in which Redemption upon an Accounting Event (as defined below) is specified as applicable in the relevant Security Pricing Supplement, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Security Pricing Supplement;

"**Early Redemption Amount (Capital Event)**" means, in respect of any Security in which Redemption upon a Capital Event (as defined below) is specified as applicable in the relevant Security Pricing Supplement, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Security Pricing Supplement;

"**Early Redemption Amount (Cessation or Suspension of Trading Event)**" means, in respect of any Security, its principal amount or such other amount as may be specified in, or determined in accordance with these Security Conditions or the relevant Security Pricing Supplement;

"**Early Redemption Amount (Minimal Outstanding Amount)**" means, in respect of any Security, its principal amount or such other amount as may be specified in, or determined in accordance with, these Security Conditions or the relevant Security Pricing Supplement;

"**Early Redemption Amount (Tax)**" means, in respect of any Security, its principal amount or such other amount as may be specified in or determined in accordance with, these Security Conditions or the relevant Security Pricing Supplement;

"**Early Redemption Amount (Tax Deductibility Event)**" means, in respect of any Security in which Redemption upon a Tax Deductibility Event is specified as applicable in the relevant Security Pricing Supplement, its principal amount or such other amount as may be specified in, or determined in accordance with, these Security Conditions or the relevant Security Pricing Supplement;

"**Euroclear**" means Euroclear Bank SA/NV:

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**First Distribution Payment Date**" means the date specified in the relevant Security Pricing Supplement;

"**Fixed Distribution Amount**" has the meaning given in the relevant Security Pricing Supplement;

"**Governmental Authority**" means the Monetary Authority of Singapore or any other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Singapore;

"**Group**" means the Guarantor and its Subsidiaries, taken as a whole;

"**Guarantee of the Securities**" means the guarantee of the Securities given by the Guarantor in the Trust Deed;

"**Illiquidity**" means the general Renminbi exchange market in Singapore becomes illiquid as a result of which the Issuer or the Guarantor cannot obtain sufficient Renminbi in order to satisfy its obligation to pay distribution or principal in respect of the Securities as determined by the Issuer or the Guarantor in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers selected by the Issuer;

"**Inconvertibility**" means the occurrence of any event that makes it impossible (where it had previously been possible) for the Issuer or the Guarantor to convert any amount due in respect of the Securities in the general Renminbi exchange market in Singapore, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Securities of the relevant Series (as specified in the relevant Security Pricing Supplement)) as published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or (if specified in the relevant Security Pricing

Supplement) the 2021 Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time or any successor definitional booklet for interest rate derivatives published from time to time;

"**Initial Distribution Rate**" has the meaning given in the relevant Security Pricing Supplement;

"**Initial Spread**" has the meaning given in the relevant Security Pricing Supplement;

"**Issue Date**" has the meaning given in the relevant Security Pricing Supplement;

"**ITA**" means the Income Tax Act 1947 of Singapore;

"**Junior Obligations**" means, unless otherwise defined in the relevant Security Pricing Supplement, (a) in respect of the Issuer, (i) any ordinary shares of the Issuer, and (ii) any class of the Issuer's share capital or any other instruments or securities (including, without limitation, preference shares) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Securities, and (b) in respect of the Guarantor, (i) any ordinary shares of the Guarantor, and (ii) any class of the Guarantor's share capital or any other instruments or securities (including, without limitation, preference shares) issued, entered into or guaranteed by the Guarantor that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Guarantee of the Securities;

"**Margin**" has the meaning given in the relevant Security Pricing Supplement;

"**Maximum Rate of Distribution**" has the meaning given to it in the Security Pricing Supplement;

"**Maximum Redemption Amount**" has the meaning given in the relevant Security Pricing Supplement;

"**Maximum Redemption Margin**" has the meaning given in the relevant Security Pricing Supplement;

"**Minimum Distribution Amount**" has the meaning given in the relevant Security Pricing Supplement;

"**Minimum Rate of Distribution**" has the meaning given to it in the Security Pricing Supplement;

"**Minimum Redemption Amount**" has the meaning given in the relevant Security Pricing Supplement;

"**Non-payment**" means (i) in respect of the Issuer, the failure by the Issuer to make payment in respect of any principal payable by it under any of the Securities within seven Business Days of the due date for payment thereof or failing to make payment in respect of any Distribution or other amounts (other than principal) payable by it under any of the Securities within seven Business Days of the due date for payment thereof or (ii) in respect of the Guarantor, the failure by the Guarantor to make payment in respect of any principal payable by it under the Guarantee of the Securities within seven Business Days of the due date for payment thereof or failing to make payment in respect of any Distribution or other amounts (other than principal) payable by it under the Guarantee of the Securities within seven Business Days of the due date for payment thereof;

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer or the Guarantor to transfer Renminbi between accounts inside Singapore or from an account inside Singapore to an account outside Singapore and outside the People's Republic of China ("**PRC**") or from an account outside Singapore and outside the PRC to an account inside Singapore, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

"**Optional Redemption Amount (Call)**" means, in respect of any Security, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Security Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Security Pricing Supplement or, as the case may be, as specified in the relevant notice to Securityholders;

"**Parity Creditor**" means (i) in respect of the Issuer, any creditor of the Issuer whose claim ranks or is expressed to rank *pari passu* with the Issuer's obligations under the Subordinated Securities, and (ii) in respect of the Guarantor, any creditor of the Guarantor whose claim ranks or is expressed to rank *pari passu* with the Guarantor's obligations under the Guarantee of the Subordinated Securities;

"**Parity Obligations**" means, in respect of the Subordinated Securities, unless otherwise defined in the relevant Security Pricing Supplement, (i) in respect of the Issuer, any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer which (a) ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Subordinated Securities and (b) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof, and (ii) in respect of the Guarantor, any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Guarantor which (a) ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Guarantee of the Subordinated Securities, and (b) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Guarantor and/or, in the case of an instrument or security guaranteed by the Guarantor, the Guarantor thereof;

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

  (i) (A) (in the case of bearer debt securities) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies and (B) a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent or the CDP Issuing and Paying Agent (as the case may be) has its Specified Office; and

  (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is Singapore dollars, any day which is:

(i) (A) (in the case of bearer debt securities) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies and (B) a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent or (as the case may be) the CDP Issuing and Paying Agent has its Specified Office; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in Singapore and in each (if any) Additional Financial Centre;

(c) if the currency of payment is not euro or Singapore dollars, any day which is:

(i) (A) (in the case of bearer debt securities) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies and (B) a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent or (as the case may be) the CDP Issuing and Paying Agent has its Specified Office; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Securities denominated in Renminbi, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

a "**Person**" includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal personality);

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided, however, that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

(b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

(c) in relation to Renminbi, it means Hong Kong or the Principal Financial Centre as is specified in the relevant Security Pricing Supplement; and

(d) in relation to Singapore dollars, it means Singapore;

"**Rate of Distribution**" means the rate or rates (expressed as a percentage per annum) of distribution payable in respect of the Securities specified in the relevant Security Pricing Supplement or calculated or determined in accordance with the provisions of these Security Conditions and/or the relevant Security Pricing Supplement;

a “**Rating Agency**” means any one of Moody’s Investors Service, Inc., Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc. or Fitch Ratings, Inc. and their respective successors or other internationally recognised rating agency;

“**Redemption Amount**” means, as appropriate, the Early Redemption Amount (Accounting Event), the Early Redemption Amount (Capital Event), the Early Redemption Amount (Tax), the Early Redemption Amount (Tax Deductibility), the Early Redemption Amount (Minimal Outstanding Amount), the Early Redemption Amount (Cessation or Suspension of Trading Event), the Optional Redemption Amount (Call) or such other amount in the nature of a redemption amount as may be specified in the relevant Security Pricing Supplement;

“**Reference Banks**” has the meaning given in the relevant Security Pricing Supplement or, if none, four major banks selected by the Issuer (or an agent appointed by it) in the interbank market that is most closely connected with the Reference Rate;

“**Reference Rate**” has the meaning given to it in the Security Pricing Supplement in respect of the currency and period specified in the relevant Security Pricing Supplement;

“**Register**” has the meaning set out in Security Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Securities*);

“**Regular Period**” means:

(a) in the case of Securities where distribution is scheduled to be paid only by means of regular payments, each period from and including the Distribution Commencement Date to but excluding the First Distribution Payment Date and each successive period from and including one Distribution Payment Date to but excluding the next Distribution Payment Date;

(b) in the case of Securities where, apart from the First Distribution Period, distribution is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Distribution Payment Date falls; and

(c) in the case of Securities where, apart from one Distribution Period other than the first Distribution Period, distribution is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Distribution Payment Date falls other than the Distribution Payment Date falling at the end of the irregular Distribution Period;

“**Relevant Date**” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount of such moneys having been so received) notice to that effect has been given to the Securityholders;

“**Relevant Financial Centre**” has the meaning given in the relevant Security Pricing Supplement;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Security Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Security Pricing Supplement;

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Singapore;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities, to reduce the amount of principal or Distribution (including any Arrears of Distribution and any Additional Distribution Amount) payable on any date in respect of the Securities, to alter the method of calculating the amount of any payment in respect of the Securities or the date for any such payment, to change the currency of any payment under the Securities, to amend the subordination provisions in the Trust Deed or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Reset Date**" has the meaning given in the relevant Security Pricing Supplement;

"**Reset Distribution Rate**" means, with respect to the relevant Reset Date, such Reference Rate as specified in the relevant Security Pricing Supplement *plus* the Initial Spread *plus* the Margin;

"**Securityholder**" in the case of Bearer Securities, has the meaning given in Security Condition 3(b) (*Title to Bearer Securities*) and, in the case of Registered Securities, has the meaning given in Security Condition 3(d) (*Title to Registered Securities*);

"**Senior Creditors**" means (i) all creditors of the Issuer, other than the Trustee (in respect of the principal of and Distributions (including Arrears of Distributions and Additional Distribution Amounts) on and other amounts that are due to the Securityholders in respect of the Subordinated Securities), the Securityholders, any Parity Creditors of the Issuer and the holders of the Junior Obligations, and (ii) with respect to the Guarantor, all creditors of the Guarantor, other than the Trustee (in respect of the principal of and Distributions (including Arrears of Distributions and Additional Distribution Amounts) on and other amounts that are due to the Securityholders in respect of the Guarantee of the Subordinated Securities), the Securityholders, any Parity Creditors of the Guarantor and the holders of the Junior Obligations;

"**Senior Securities**" means the securities specified as Senior Securities in the relevant Security Pricing Supplement;

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited;

"**Singapore Dollar Equivalent**" means the Renminbi amount converted into Singapore dollars using the relevant Spot Rate for the relevant Determination Date;

"**Specified Currency**" has the meaning given in the relevant Security Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Security Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Security Pricing Supplement;

"**Spot Rate**" means, for a Determination Date, the spot Renminbi/Singapore dollar exchange rate as determined by the Issuer at or around 11:00 a.m. (Singapore time) on such date in good faith and in a reasonable commercial manner, and if a spot rate is not readily available, the Issuer may determine the rate taking into consideration all available information which the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore;

"**Step-Up Event**" means a Cessation or Suspension of Trading Event and such other event as may be specified in the relevant Security Pricing Supplement;

"**Step-Up Rate**" has the meaning given in the relevant Security Pricing Supplement;

"**Subordinated Securities**" means the securities specified as Subordinated Securities in the relevant Security Pricing Supplement;

"**Subsidiary**" or "**Subsidiaries**" means a subsidiary within the meaning of Section 5 of the Companies Act;

"**Talon**" means a talon for further Coupons;

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended;

"**Winding-Up**" means a final and effective order by a competent authority for the bankruptcy, winding-up, liquidation or similar procedure in respect of the Issuer or the Guarantor (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction, merger or amalgamation the terms of which reorganisation, reconstruction, merger or amalgamation have previously been approved in writing by the Trustee or by an Extraordinary Resolution); and

"**U.S. dollars**" or "**U.S.$**" means the lawful currency of the United States of America.

(b) *Interpretation:* In these Security Conditions:

(i) if Talons are specified in the relevant Security Pricing Supplement as being attached to the Securities at the time of issue, references to Coupons shall be deemed to include references to Talons;

(ii) if Talons are not specified in the relevant Security Pricing Supplement as being attached to the Securities at the time of issue, references to Talons are not applicable;

(iii) any reference to principal shall be deemed to include the relevant Redemption Amount, any additional amounts in respect of principal which may be payable under Security Condition 9 (*Taxation*), any premium payable in respect of a Security and any other amount in the nature of principal payable pursuant to these Conditions;

(iv) any reference to Distribution, Arrears of Distribution and Additional Distribution Amount shall be deemed to include any additional amounts in respect of such Distribution, Arrears of Distribution or, as the case may be, Additional Distribution Amount which may be payable under Security Condition 9 (*Taxation*) and any other amount in the nature of distribution payable pursuant to these Security Conditions;

(v) references to Securities being "outstanding" shall be construed in accordance with the Trust Deed;

(vi) if an expression is stated in Security Condition 2(a) (*Interpretation – Definitions*) to have the meaning given in the relevant Security Pricing Supplement, but the relevant Security Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Securities; and

(vii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Securities.

3. Form, Denomination, Title and Transfer

(a) *Bearer Securities:* Bearer Securities are in the Specified Denomination(s) with Coupons and, if specified in the relevant Security Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Securities with more than one Specified Denomination, Bearer Securities of one Specified Denomination will not be exchangeable for Bearer Securities of another Specified Denomination. Registered Securities may not be exchanged for Bearer Securities.

(b) *Title to Bearer Securities:* Title to Bearer Securities and the Coupons will pass by delivery. In the case of Bearer Securities, "**Holder**" means the holder of such Bearer Security and "**Securityholder**" and "**Couponholder**" shall be construed accordingly.

(c) *Registered Securities:* Registered Securities are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Security Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Security Pricing Supplement. Bearer Securities may not be exchanged for Registered Securities.

(d) *Title to Registered Securities:* The relevant Registrar will maintain the register (the "**Register**") in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Security Certificate**") will be issued to each Holder of Registered Securities in respect of its registered holding. Each Security Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Securities, "**Holder**" means the person in whose name such Registered Security is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Securityholder**" shall be construed accordingly.

(e) *Ownership:* The Holder of any Security or Coupon shall (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Securities, on the Security Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Security under (i) if the Securities are specified to be governed by English law in the relevant Security Pricing Supplement, the Contracts (Rights of Third Parties) Act 1999 or (ii) if the Securities are specified to be governed by Singapore law in the relevant Security Pricing Supplement, the Contracts (Rights of Third Parties) Act 2001 of Singapore.

(f) *Transfers of Registered Securities:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Security may be transferred upon surrender of the relevant Security Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the relevant Registrar or any Transfer Agent, together with such evidence as the relevant Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Security may not be transferred unless the principal amount of Registered Securities transferred and (where not all of the Registered Securities held by a Holder are being transferred) the principal amount of the balance of Registered Securities not transferred are Specified Denominations. Where not all the Registered Securities represented by the surrendered Security Certificate are the subject of the transfer, a new Security Certificate in respect of the balance of the Registered Securities will be issued to the transferor.

(g) *Registration and delivery of Security Certificates:* Within five business days of receipt by the Registrar or (as the case may be) any Transfer Agent of a duly completed form of transfer and the surrender of the relevant Security Certificate in accordance with paragraph (f) (*Transfers of Registered Securities*) above, the relevant Registrar will register the transfer in question and deliver a new Security Certificate of a like principal amount to the Registered Securities transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured mail to the address specified for the purpose by such relevant Holder. In this paragraph (g), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the relevant Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) *No charge:* The transfer of a Registered Security will be effected without charge by or on behalf of the Issuer or the relevant Registrar or any Transfer Agent but against such payment or indemnity as the relevant Registrar or (as the case may be) such Transfer Agent may require in respect of (i) any costs or expenses of delivery other than by regular uninsured mail, or (ii) any stamp duty, tax or other duty or governmental charge of whatsoever nature which may be levied or imposed in connection with such transfer and registration thereof.

(i) *Closed periods:* Securityholders may not require transfers to be registered (i) during the period of 15 days ending on the due date for any payment of principal or distribution in respect of the Registered Securities, (ii) after any such Registered Securities have been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Security Condition 8(f)(*Payments – Record Date*).

(j) *Regulations concerning transfers and registration:* All transfers of Registered Securities and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the relevant Registrar and the Trustee or by the relevant Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection or by email by the relevant Registrar to any Securityholder upon prior written request and satisfactory proof of holding.

4. Status and Guarantee of the Securities

(a) *Status and Guarantee of the Senior Securities:*

(i) *Status of the Senior Securities:* The Senior Securities constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer which will at all times rank *pari passu* and without any preference or priority among themselves and at least *pari passu* with all other present and future unconditional, unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(ii) *Guarantee of the Senior Securities:* The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Senior Securities (the "**Guarantee of the Senior Securities**"). The Guarantee of the Senior Securities constitutes a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) *Status and Guarantee of the Subordinated Securities:*

(i) *Status of the Subordinated Securities:* The Subordinated Securities constitute direct, unconditional, unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* and without any preference among themselves and with any Parity Obligations of the Issuer. The rights and claims of the Subordinated Securityholders in respect of the Subordinated Securities are subordinated as provided in this Security Condition 4(b) (*Status and Guarantee of the Subordinated Securities*).

(ii) *Ranking of claims in respect of the Subordinated Securities:* Subject to and to the extent permitted by the insolvency laws of Singapore and other applicable laws, in the event of a Winding-up of the Issuer, the rights and claims of the Trustee and of the Securityholders to payment of principal and of distribution on the Subordinated Securities relating to them (and only such rights and claims) are expressly subordinated, junior to, and subject in right of payment to the prior payment in full of all, and the rights and claims of all Senior Creditors of the Issuer, but at least *pari passu* with each other and with the rights and claims of any Parity Creditors of the Issuer or holders of Parity Obligations of the Issuer, and senior to the rights and claims of holders of Junior Obligations of the Issuer, unless otherwise specified in the applicable Security Pricing Supplement.

(iii) *Guarantee of the Subordinated Securities:* The Guarantor has, in respect of each Tranche of Subordinated Securities, pursuant to the Trust Deed, unconditionally and irrevocably guaranteed, on a subordinated basis, the due and punctual payment of all sums expressed to be from time to time payable by the Issuer in respect of the Subordinated Securities (the "**Guarantee of the Subordinated Securities**"). The Guarantee of the Subordinated Securities constitutes a direct, unconditional, unsecured and subordinated obligation of the Guarantor which will at all times rank at least *pari passu* with any Parity Obligations of the Guarantor.

(iv) *Ranking of Claims in respect of the Guarantee of the Subordinated Securities:* Subject to and to the extent permitted by the insolvency laws of Singapore and other applicable laws, in the event of a Winding-up of the Guarantor, the rights and claims of the Trustee and of the Securityholders to payment of principal of and distribution on the Subordinated Securities relating to them (and only such rights and claims) are expressly subordinated, junior to, and subject in right of payment to the prior payment in full of all, and the rights and claims of all Senior Creditors of the Guarantor, but at least *pari passu* with each other and with the rights and claims of any Parity Creditors of the Guarantor or holders of Parity Obligations of the Guarantor, and senior to the rights and claims of holders of Junior Obligations of the Guarantor, unless otherwise specified in the applicable Security Pricing Supplement.

(v) *Set-off – Issuer:* Subject to applicable law, no Subordinated Securityholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Securities or Coupons relating to them. Each holder of Subordinated Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Securities or any Coupons relating to them is discharged by set-off, such holder of Subordinated Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up, the liquidator or as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or its liquidators, or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

(vi) *Set-off – Guarantor:* Subject to applicable law, no Subordinated Securityholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Guarantor in respect of, or arising under or in connection with the Guarantee of the Subordinated Securities. Each holder of Subordinated Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Guarantor. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Securities or any Coupons relating to them by the Guarantor in respect of, or arising under or in connection with the Guarantee of the Subordinated Securities is discharged by set-off, such holder of Subordinated Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Guarantor (or, in the event of its Winding-Up, the liquidator or as appropriate, administrator of the Guarantor) and, until such time as payment is made, shall hold such amount in trust for the Guarantor (or its liquidators, or, as appropriate, administrator of the Guarantor) and accordingly any such discharge shall be deemed not to have taken place.

5. Distribution

(a) *Fixed Rate Securities:* This Security Condition 5(a) is applicable to the Securities only if the Fixed Rate Securities Provisions as applicable are specified in the relevant Security Pricing Supplement.

(i) *Accrual of Distribution:* Subject to Security Condition 5(d) (*Distribution – Distribution Deferral*), the Securities confer a right to receive distributions (each a "**Distribution**") from (and including) the Distribution Commencement Date at the Rate of Distribution payable in arrears on each Distribution Payment Date, subject as provided in Security Condition 7 (*Payments – Bearer Securities*) and Security Condition 8 (*Payments – Registered Securities*).

Unless otherwise provided for in these Security Conditions, each Security will cease to confer the right to receive any Distribution from the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused, in which case Distribution will continue to accrue at the applicable Rate of Distribution (after as well as before any judgement) up to but excluding whichever is the earlier of (A) the day on which all sums due in respect of any such Security up to that day are received by or on behalf of the relevant Securityholder and (B) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Securityholders that it has received all sums due in respect of the Securities up to such seventh day (except to the extent that there is a failure in the subsequent payment to the relevant Securityholders under these Security Conditions).

(ii) *Fixed Distribution Amount:* The amount of distribution payable in respect of each Security for any Distribution Period shall be the relevant Fixed Distribution Amount and, if the Securities are in more than one Specified Denomination, shall be the relevant Fixed Distribution Amount in respect of the relevant Specified Denomination.

(iii) *Calculation of Distribution Amount:* The amount of distribution payable in respect of each Security for any period for which a Fixed Distribution Amount is not specified shall be calculated by applying the Rate of Distribution to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Security divided by the Calculation Amount. For this purpose, a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(iv) *Rate of Distribution:* Subject to any increase pursuant to Security Condition 5(e) (*Increase or Decrease in Rate of Distribution Rate following occurrence of certain events*), the Rate of Distribution applicable to the Securities shall be:

(A) (if no Reset Date is specified in the relevant Security Pricing Supplement) the Initial Distribution Rate; and

(B) (if a Reset Date is specified in the relevant Security Pricing Supplement), the Reset Distribution Rate.

The Calculation Agent will, on the Calculation Business Day prior to each Reset Date, calculate (in consultation with the Issuer) the applicable Reset Distribution Rate payable in respect of the Securities. The Calculation Agent will cause the applicable Reset Distribution Rate determined by it to be notified to the Issuer, the Guarantor, the Paying Agents, the Trustee and the Securityholders as soon as practicable after the relevant Reset Date, and if the Securities are listed on a stock exchange and the rules of such exchange or other relevant authority so require, subsequently notified by the Issuer to such exchange or other relevant authority as soon as reasonably practicable after the receipt of such notice from the Calculation Agent by the Issuer. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Security Condition 5(a)(iii) and Security Condition 5(a)(iv) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Trustee and the Securityholders and no liability to any such person will attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(b) *Floating Rate Securities:* This Security Condition 5(b) is applicable to the Securities only if the Floating Rate Securities Provisions are specified as applicable in the relevant Security Pricing Supplement.

(i) *Accrual of Distribution:* Subject to Security Condition 5(d) (*Distribution – Distribution Deferral*), the Securities confer a right to receive Distribution from the Distribution Commencement Date at the Rate of Distribution payable in arrear on each Distribution Payment Date, subject as provided in Security Condition 7 (*Payments – Bearer Securities*) and Security Condition 8 (*Payments – Registered Securities*). Unless otherwise provided for in these Security Conditions, each Security will cease to confer the right to receive any Distribution from the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused, in which case, Distribution will continue to accrue at the applicable Rate of Distribution (after as well as before any judgement) until whichever is the earlier of (i) the day on which all sums due in respect of any such Security up to that day are received by or on behalf of the relevant Securityholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Securityholders that it has received all sums due in respect of the Securities up to such seventh day (except to the extent that there is a failure in the subsequent payment to the relevant Securityholders under these Security Conditions).

(ii) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Security Pricing Supplement as the manner in which the Rate(s) of Distribution is/are to be determined, the Rate of Distribution applicable to the Securities for each Distribution Period will be (other than in respect of Securities for which SORA is specified as the Reference Rate in the relevant Security Pricing Supplement) determined by the Calculation Agent on the following basis:

(A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Distribution Determination Date;

(B) if Linear Interpolation is specified as applicable in respect of a Distribution Period in the relevant Security Pricing Supplement, the Rate of Distribution for such Distribution Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Distribution Determination Date, where:

(1) one rate shall be determined as if the relevant Distribution Period were the period of time for which rates are available next shorter than the length of the relevant Distribution Period; and

(2) the other rate shall be determined as if the relevant Distribution Period were the period of time for which rates are available next longer than the length of the relevant Distribution Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Distribution Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer (or an agent appointed by it) determines appropriate;

(C) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Distribution Determination Date;

(D) if, in the case of (A) above, such rate does not appear on that page or, in the case of (C) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer (or an agent appointed by it) will request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Distribution Determination Date offered to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time. The Calculation Agent will determine the arithmetic mean of such quotations; and

(E) if sub-paragraph (D) above applies and fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Issuer (or an agent appointed by it)), as communicated to (and at the request of) the Issuer (or an agent appointed by it), quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer (or an agent appointed by it), at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Distribution Period for loans in the Specified Currency to leading international banks for a period equal to the relevant Distribution Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Distribution for such Distribution Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Distribution Period, the Rate of Distribution applicable to the Securities during such Distribution Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Securities in respect of an immediately preceding Distribution Period.

(iii) *ISDA Determination:* If ISDA Determination is specified in the relevant Security Pricing Supplement as the manner in which the Rate(s) of Distribution is/are to be determined, the Rate of Distribution applicable to the Securities for each Distribution Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Distribution Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(iv) if the relevant Security Pricing Supplement specifies either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Security Pricing Supplement;

(B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Security Pricing Supplement;

(C) the relevant Reset Date, unless otherwise specified in the applicable Security Pricing Supplement, has the meaning given to it in the ISDA Definitions;

(D) if Linear Interpolation is specified as applicable in respect of a Distribution Period in the relevant Security Pricing Supplement, the Rate of Distribution for such Distribution Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Distribution Period; and

(2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Distribution Period,

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Distribution Period or, as the case may be, next longer than the length of the relevant Distribution Period, then the Calculation Agent shall determine such relevant rate at such time and by reference to such sources as an agent appointed by the Issuer acting in good faith and in a commercially reasonable manner, determines appropriate;

(E) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Security Pricing Supplement and:

(1) if Compounding with Lookback is specified as the Compounding Method in the relevant Security Pricing Supplement then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Security Pricing Supplement;

(2) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Security Pricing Supplement then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Security Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Security Pricing Supplement; or

(3) if Compounding with Lockout is specified as the Compounding Method in the relevant Security Pricing Supplement then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Security Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Security Pricing Supplement;

(F) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Security Pricing Supplement and:

(1) if Averaging with Lookback is specified as the Averaging Method in the relevant Security Pricing Supplement then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Security Pricing Supplement;

(2) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Security Pricing Supplement then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Security Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Security Pricing Supplement; or

(3) if Averaging with Lockout is specified as the Averaging Method in the relevant Security Pricing Supplement then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Security Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Security Pricing Supplement; and

(G) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Security Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Security Pricing Supplement and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Security Pricing Supplement;

(v) references in the ISDA Definitions to:

(A) "**Confirmation**" shall be references to the relevant Security Pricing Supplement;

(B) "**Calculation Period**" shall be references to the relevant Distribution Period;

(C) "**Termination Date**" shall be references to the Maturity Date;

(D) "**Effective Date**" shall be references to the Distribution Commencement Date; and

(vi) if the relevant Security Pricing Supplement specifies "2021 ISDA Definitions" as being applicable:

(A) "**Administrator/Benchmark Event**" shall be disapplied; and

(B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

(vii) Unless otherwise defined capitalised terms used in this Condition 7(d) shall have the meaning ascribed to them in the ISDA Definitions.

(viii) *Maximum or Minimum Rate of Distribution:* If any Maximum Rate of Distribution or Minimum Rate of Distribution is specified as applicable in the relevant Security Pricing Supplement, then the Rate of Distribution shall in no event be greater than the maximum or be less than the minimum so specified.

(ix) *Calculation of Distribution Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Distribution is to be determined in relation to each Distribution Period, calculate the Distribution Amount payable in respect of each Security for such Distribution Period. The Distribution Amount will be calculated by applying the Rate of Distribution for such Distribution Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Security divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than United States dollars, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of United States dollars, means one cent.

(x) *Publication:* The Calculation Agent will cause each Rate of Distribution and Distribution Amount determined by it, together with the relevant Distribution Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Guarantor, the Paying Agents and the Trustee as soon as practicable after such determination but (in the case of each Rate of Distribution, Distribution Amount and Distribution Payment Date) in any event not later than the first day of the relevant Distribution Period. Notice thereof shall also promptly be given by the Issuer to the Securityholders and, if the Securities have been admitted to listing, trading and/or quotation to any stock exchange and/or quotation system and the rules of the relevant competent authority or such stock exchange and/or quotation system so require, to such competent authority, stock exchange and/or quotation system. The Issuer, the Guarantor, the Trustee and the Calculation Agent will be entitled to recalculate any Distribution Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Distribution Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Distribution Amount but instead may publish only the Calculation Amount and the Distribution Amount in respect of a Security having the minimum Specified Denomination.

(xi) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Security Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Trustee, the Securityholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(c) *Benchmark Discontinuation:*

(i) *Benchmark Replacement (SORA):*

This Security Condition 5(c) (*Benchmark Discontinuation*) shall not apply to Securities for which the Reference Rate is specified as "SORA" in the relevant Security Pricing Supplement, in respect of which the provisions of Security Condition 5A (*Distribution – Floating Rate Securities referencing SORA*) and benchmark discontinuation provisions of Security Condition 5A(c) (*Distribution – Floating Rate Securities referencing SORA*) will apply.

(ii) *Benchmark Replacement (Independent Adviser):*

(A) If a Benchmark Event occurs in relation to the Reference Rate when the Rate of Distribution (or any component part thereof) for any Distribution Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with this Security Condition 5(c)(ii)(A)) and, in either case, an Adjustment Spread, if any (in accordance with Security Condition 5(c)(ii)(D)) and any Benchmark Amendments (in accordance with Security Condition 5(c)(ii)(E).

An Independent Adviser appointed pursuant this Security Condition 5(c)(ii)(A) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Guarantor, the Trustee, the Agents or the Securityholders for any determination made by it pursuant to this Security Condition 5(c)(ii) and the Trustee will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

(B) If (1) the Issuer is unable to appoint an Independent Adviser or (2) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Security Condition 5(c)(ii) prior to the relevant Distribution Determination Date, the Issuer (acting in good faith and in commercially reasonable manner) may determine a Successor Rate, failing which, an Alternative Rate and, in either case, an Adjustment Spread (if any) and any Benchmark Amendments. If the Issuer is unable to determine a Successor Rate or an Alternative Rate prior to the relevant Distribution Determination Date, the Reference Rate applicable to the immediately following Distribution Period shall be the Reference Rate applicable as at the last preceding Distribution Determination Date. If there has not been a First Distribution Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Distribution Period. For the avoidance of doubt, any adjustment pursuant to this Security Condition 5(c)(ii)(B) shall apply to the immediately following Distribution Period only. Any subsequent Distribution Period may be subject to the subsequent operation of this Security Condition 5(c)(ii).

(C) If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(c)(ii)(B) above) determines in its discretion that:

(1) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Security Condition 5(c)(ii)(D)) subsequently be used in place of the Reference Rate to determine the Rate of Distribution (or the relevant component part(s) thereof) for the relevant Distribution Period and all following Distribution Periods, subject to the subsequent operation of this Security Condition 5(c)(ii) in the event of a further Benchmark Event affecting the Successor Rate; or

(2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Security Condition 5(c)(ii)(D)) subsequently be used in place of the Reference Rate to determine the Rate of Distribution (or the relevant component part(s) thereof) for the relevant Distribution Period and all following Distribution Periods, subject to the subsequent operation of this Security Condition 5(c)(ii) in the event of a further Benchmark Event affecting the Alternative Rate.

(D) If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(c)(ii)(B) above) determines in its discretion (1) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (2) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(c)(ii)(B) above) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as the case may be) will apply without an Adjustment Spread.

(E) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Security Condition 5(c)(ii) and the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(c)(ii)(B) above) determines in its discretion (1) that amendments to these Security Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (if any) (such amendments, the "**Benchmark Amendments**") and (2) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the applicable Security Pricing Supplement as the party responsible for calculating the Rate of Distribution and the Distribution Amount(s)), subject to giving notice thereof in accordance with Security Condition 5(c)(ii)(F), without any requirement for the consent or approval of relevant Securityholders, vary these Security Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Trustee, the Calculation Agent and/or the Agents shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Trust Deed and these Security Conditions as may be required in order to give effect to this Security Condition 5(c)(ii)) **provided that** the Trustee, the Calculation Agents and/or the Agents shall not be obliged so to concur if in the opinion of the Trustee, the Calculation Agents and/or the Agents doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Calculation Agents and/or the Agents in these Security Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

(F) Any Successor Rate, Alternative Rate, Adjustment Spread (if any) and the specific terms of any Benchmark Amendments, determined under this Security Condition 5(c)(ii) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Security Condition 16 (*Notices*), the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(G) No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed an Authorised Signatory:

(1) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Security Condition 5(c)(ii); and

(2) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread (if any).

Each of the Trustee, the Calculation Agent and the Paying Agents shall be entitled to rely conclusively on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Guarantor, the Trustee, the Calculation Agent, the Paying Agents and the Securityholders. None of the Trustee, Calculation Agent or the Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(H) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Guarantor, the Trustee and Principal Paying Agent, the Calculation Agent, the other Paying Agents and the Securityholders.

(I) As used in this Security Condition 5(c)(ii):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(c)(ii) above) determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(1) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(2) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or

(3) (if no such determination has been made) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(c)(ii) above) determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(4) (if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(c)(ii) above) determines that no such industry standard is recognised or acknowledged) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(c)(ii) above) determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Securityholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(c)(ii) above) determines in accordance with this Security Condition 5(c)(ii) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of distribution (or the relevant component part thereof) in the Specified Currency;

"**Benchmark Amendments**" has the meaning given to it in Security Condition 5(c)(ii)(E);

"**Benchmark Event**" means:

(1) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(2) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or

(3) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by the Specified Future Date, be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate has been or will, by the Specified Future Date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Securities; or

(5) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is or will, by the Specified Future Date, be no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has or will by the Specified Future Date materially changed; or

(6) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Securityholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (2), (3), (4) or (5) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date;

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser with appropriate expertise or experience in the international capital markets, in each case appointed by the Issuer at its own expense under this Security Condition 5(c)(i);

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (x) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (y) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (z) a group of the aforementioned central banks or other supervisory authorities or (aa) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(d) *Distribution Deferral:*

(i) *Optional Deferral:* The Issuer may, at its sole discretion, elect to defer, in whole or in part, any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date (an "**Optionally Deferred Distribution Payment**") by giving notice (an "**Optional Distribution Deferral Notice**") to the Securityholders (in accordance with Security Condition 16 (*Notices*)) and to the Trustee, the Principal Paying Agent and the Registrar, not more than 45 nor less than five Business Days (or such other notice period as may be specified in the relevant Security Pricing Supplement) prior to a scheduled Distribution Payment Date (an "**Optional Deferral Event**") unless, if the Dividend Pusher is specified as applicable in the relevant Security Pricing Supplement, during the Dividend Pusher Lookback Period ending on the day before that scheduled Distribution Payment Date a Compulsory Distribution Payment Event has occurred. Any partial payment of outstanding Distribution (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer shall be shared by the Securityholders of all outstanding Securities on a *pro-rata* basis.

(ii) *No obligation to pay:* The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Security Condition 5(d)(i) (*Optional Deferral*) and any failure to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) shall not constitute a default of the Issuer or the Guarantor in respect of the Securities.

(iii) *Requirements as to Notice:* Prior to publishing any Optional Distribution Deferral Notice, the Issuer shall, if the Dividend Pusher is specified as applicable in the relevant Security Pricing Supplement, deliver to the Trustee a certificate substantially in the form scheduled to the Trust Deed signed by an Authorised Signatory confirming that (a) an Optional Deferral Event has occurred and is continuing, and (b) that no Compulsory Distribution Payment Event has occurred during the Dividend Pusher Lookback Period ending on the day before the relevant Distribution Payment Date and is continuing.

The Trustee shall be entitled to accept and rely upon such certificate as sufficient evidence of the occurrence of an Optional Deferral Event, in which event it shall be conclusive and binding on the Securityholders.

(iv) *Cumulative Deferral:* If Cumulative Deferral is specified as applicable in the relevant Security Pricing Supplement, any Distribution deferred pursuant to this Security Condition 5(d) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect (in the circumstances set out in Security Condition 5(d)(i) (*Distribution – Distribution Deferral – Optional Deferral*) above) to further defer (in whole or in part) any Arrears of Distribution by complying with the foregoing notice requirements applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution may be deferred pursuant to this Security Condition 5(d) except that this Security Condition 5(d)(vi) (*Distribution Deferral – Restrictions in the case of Optional Deferral*) below shall be complied with until all outstanding Arrears of Distribution and Additional Distribution Amount (if any) have been paid in full.

If Additional Distribution is specified as applicable in the relevant Security Pricing Supplement, each amount of Arrears of Distribution shall accrue at the Rate of Distribution as if it constituted the principal of the Securities and the amount of such distribution (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Security Condition 5 and shall be calculated by applying the applicable Rate of Distribution to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Security Condition 5. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

If the Calculation Agent is unable to calculate any Additional Distribution Amount pursuant to this provision, it will notify the Issuer and may refrain from calculating such Additional Distribution Amount until it receives instructions to its satisfaction from the Issuer, as to the methodology, failing which the Issuer shall procure an independent adviser or other agent to determine the Additional Distribution Amount, in accordance with this provision.

(v) *Non-Cumulative Deferral; Optional Distribution:* If Non-Cumulative Deferral is specified as applicable in the relevant Security Pricing Supplement, any Distribution deferred pursuant to this Security Condition 5(d) is non-cumulative and will not accrue Distribution. The Issuer is not under any obligation to pay any Distribution or any other distribution that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an optional amount equal to the amount of Distribution which is unpaid in whole or in part (an "**Optional Distribution**") at any time by giving notice of such election to the Securityholders (in accordance with Security Condition 16 (*Notices*)) and the Trustee and the Principal Paying Agent not more than 45 and not less than 30 Business Days (or such other notice period as may be specified in the relevant Security Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution on the payment date specified in such notice).There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 5(d)(v).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the Securityholders or Couponholders of all outstanding Securities and the Coupons related to them on a *pro-rata* basis.

(vi) *Restrictions in the case of an Optional Deferral:* If Dividend Stopper is specified as applicable in the relevant Security Pricing Supplement, then if on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of Security Condition 5(d)(i) (*Optional Deferral*), the Issuer and the Guarantor shall not:

(A) declare, pay or make any dividends, distributions or other payments on, and will procure that no dividend, distribution or other payment is declared, paid or made on any of its Junior Obligations and, in the case of Subordinated Securities, any of its Parity Obligations except on a *pro-rata* basis with the Securities; or

(B) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Obligations and, in the case of Subordinated Securities, any of its Parity Obligations except on a *pro-rata* basis with the Securities,

in each case, other than:

(i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group;

(ii) as a result of the exchange or conversion of Parity Obligations for Junior Obligations; and/or

(iii) as otherwise specified in the relevant Security Pricing Supplement, unless and until:

(1) (if Cumulative Deferral is specified as applicable in the relevant Security Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distributions;

(2) (if Non-Cumulative Deferral is specified as applicable in the relevant Security Pricing Supplement) if all outstanding Securities have been redeemed in full, the next scheduled Distribution has been paid in full or an Optional Distribution equal to the amount of Distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full; or

(3) the Issuer or the Guarantor, is permitted to do so by an Extraordinary Resolution of the Securityholders.

For the avoidance of doubt, nothing in this Security Condition 5(d)(vi) shall:

(I) restrict the ability of the Issuer's or the Guarantor's Subsidiaries to declare or pay any dividends, distributions or make any other payment to the Issuer; or

(II) (in the case of Subordinated Securities) restrict the Issuer or the Guarantor or any of their respective Subsidiaries from declaring or paying any dividend, distribution or making any other payment on or in respect of, redeeming, reducing, cancelling, buying back or acquiring for any consideration any instrument or security issued, entered into or guaranteed by the Issuer or the

Guarantor or is expressed to rank, by its terms or by operation of law, senior to such Subordinated Securities and the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer or the Guarantor and/or, in the case of an instrument or security guaranteed by the Issuer or the Guarantor, the issuer thereof.

(vii) *Satisfaction of Arrears of Distribution by payment:* The Issuer:

(A) may, at its sole discretion, satisfy any Arrears of Distribution and Additional Distribution Amount (in whole or in part) at any time by giving notice of such election to the Securityholders (in accordance with Security Condition 16 (*Notices*)), the Trustee and the Principal Paying Agent not more than 45 nor less than 10 Business Days (or such other notice period as may be specified in the relevant Security Pricing Supplement) prior to the relevant payment date specified in such notice (which notice shall be irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution and all Additional Distribution Amounts, on the payment date specified in such notice); and

(B) in any event shall satisfy any outstanding Arrears of Distribution deferred in accordance with Security Condition 5(d)(i) (*Optional Deferral*), in whole but not in part, and including any Additional Distribution Amount (if applicable), on the earliest to occur of:

(1) the next Distribution Payment Date falling immediately after a breach of Security Condition 5(d)(vi) (*Distribution – Distribution Deferral – Restrictions in the case of an Optional Deferral*);

(2) the date on which the Securities are redeemed at the option of the Issuer pursuant to Security Condition 6(c) (*Redemption at the option of the Issuer*); and

(3) a Winding-Up of the Issuer or the Guarantor.

Any partial payment of outstanding Arrears of Distribution and any Additional Distribution Amount by the Issuer shall be paid to the Securityholders of all outstanding Securities on a *pro-rata* basis.

(viii) *No default:* Notwithstanding any other provision in these Security Conditions or in the Trust Deed, the deferral of any Distribution payment in accordance with this Security Condition 5(d) shall not constitute a default for any purpose (including, without limitation, pursuant to Security Condition 10 (*Non-payment*)) on the part of the Issuer or the Guarantor under the Securities or for any other purpose.

(e) *Increase or Decrease in Rate of Distribution Rate following occurrence of certain events:*

(i) *Increase in Rate of Distribution:* If Step-Up Event is specified as applicable in the relevant Security Pricing Supplement, upon the occurrence of a Step-Up Event, unless (A) an irrevocable notice in writing to redeem the Securities has been given by the Issuer to Securityholders (in accordance with Security Condition 16 (*Notices*)), the Trustee and the Principal Paying Agent pursuant to Security Condition 6 (*Redemption and Purchase*) by the 30th day following the occurrence of the relevant Step-Up Event or (B) the relevant Step-Up Event is remedied by the 30th day following the occurrence of such relevant Step-Up Event, the Rate of Distribution will increase by the Step-Up Rate with effect from the next Distribution

Payment Date immediately following the 30th day after the occurrence of the relevant Step-Up Event, **provided that** the maximum aggregate increase in the Rate of Distribution pursuant to this Security Condition 5(d) shall be the Step-Up Rate and the Rate of Distribution shall not exceed the Maximum Rate of Distribution.

Any increase in the Rate of Distribution pursuant to this Security Condition 5(d) shall be notified by the Issuer to the Securityholders (in accordance with Security Condition 16 (*Notices*)) and to the Trustee and the Principal Paying Agent in writing no later than the 30th day following the date on which such increase is effective.

(ii) *Decrease in Rate of Distribution:* If following an increase in the Distribution Rate after a Step-Up Event, such Step-Up Event is cured or no longer exists, upon written notice of such facts being given to the Securityholders (in accordance with Security Condition 16 (*Notices*)), the Trustee and the Principal Paying Agent, the Distribution Rate shall be decreased by the Step-Up Rate with effect from (and including) the Distribution Payment Date immediately following the date falling 30 days after the date on which the Trustee receives notice that the Step-Up Event has been cured or no longer exists **provided that** the maximum aggregate decrease in the Distribution Rate pursuant to this Security Condition 5(d) shall be the Step-Up Rate.

The Trustee, the Agents, the Calculation Agent and/or the Registrar shall not be under any duty to (and will not be responsible for any loss arising from any failure by it to) monitor whether the Issuer may defer Distributions in accordance with these Conditions, whether the Issuer has complied with these Conditions and, unless it has received a notice in writing from the Issuer or the Securityholders (in accordance with the Trust Deed and Condition as applicable) to the contrary, the Trustee may assume that the Issuer has complied with the provisions mentioned above. The Trustee shall not be under any duty to monitor or make any calculation (or verification thereof) in connection with the Additional Distribution Amount and shall not be responsible to Securityholders for any loss arising from any failure by it to do so.

5A. Distribution – Floating Rate Securities referencing SORA

(a) This Security Condition 5A is applicable to the Securities only if the Floating Rate Security Provisions are specified as applicable in the relevant Security Pricing Supplement and the "Reference Rate" is specified as "SORA" in the relevant Security Pricing Supplement.

(b) Where the Reference Rate as specified as "SORA" in the relevant Security Pricing Supplement, the Rate of Distribution for each Distribution Accrual Period will, subject as provided below, be equal to the relevant SORA Benchmark (as defined below) plus or minus (as specified in the relevant Security Pricing Supplement) the Margin.

For the purposes of this Security Condition 5A(b):

"**SORA Benchmark**" will be determined based on either Compounded Daily SORA or Compounded Index SORA, as follows (subject in each case to Security Condition 5A(c)):

(i) If Compounded Daily SORA is specified as applicable in the relevant Security Pricing Supplement, the SORA Benchmark for each Distribution Accrual Period shall be determined based on Compounded Daily SORA which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the

Rate of Distribution, as specified in the applicable Security Pricing Supplement) on the relevant Distribution Determination Date in accordance with one of the formulas referenced below depending upon which is specified in the relevant Security Pricing Supplement:

(A) Where SORA Lockout is specified in the relevant Security Pricing Supplement:

Compounded Daily SORA" means, with respect to an Distribution Accrual Period, the rate of return of a daily compound distribution investment during such Distribution Accrual Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the relevant Security Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{\mathrm{SORA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Distribution Accrual Period;

"$\mathbf{d_o}$", for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Distribution Accrual Period;

"**i**", for the relevant Distribution Accrual Period, is a series of whole numbers from one to do, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Accrual Period to the last Singapore Business Day in such Distribution Accrual Period;

"**Distribution Determination Date**" means the Singapore Business Day immediately following the SORA Rate Cut-off Date;

"$\mathbf{n_i}$", for any Singapore Business Day "i", is the number of calendar days from and including such Singapore Business Day "i" up to but excluding the following Singapore Business Day;

"**SORA Rate Cut-Off Date**" means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling five Singapore Business Days (or such other number of Singapore Business Days specified in the relevant Security Pricing Supplement) prior to the Distribution Payment Date in respect of the relevant Distribution Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days specified in the relevant Security Pricing Supplement) prior to such earlier date, if any, on which the Securities become due and payable);

"**Singapore Business Days**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the "Relevant Screen Page") on the Singapore Business Day immediately following such Singapore Business Day "i";

"**$\mathbf{SORA_i}$**" means, in respect of any Singapore Business Day "i" falling in the relevant Distribution Accrual Period:

(1) if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and

(2) if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the "**Suspension Period $\mathbf{SORA_i}$**") (such first day of the Suspension Period coinciding with the SORA Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period SORAi shall apply to each day falling in the relevant Suspension Period;

"**SORA Reset Date**" means, in relation to any Distribution Accrual Period, each Singapore Business Day during such Distribution Accrual Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Distribution Accrual Period; and

"**Suspension Period**" means, in relation to any Distribution Accrual Period, the period from (and including) the date falling five Singapore Business Day prior to the Distribution Payment Date in respect of the relevant Distribution Accrual Period or such other date specified in the relevant Security Pricing Supplement (such Singapore Business Day coinciding with the SORA Rate Cut-Off Date) to (but excluding) the Distribution Payment Date of such Distribution Accrual Period;

(B) Where SORA Lookback is specified in the relevant Security Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Distribution Accrual Period, the rate of return of a daily compound distribution investment during the Observation Period corresponding to such Distribution Accrual Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the relevant Security Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{\mathrm{SORA}_{i-x\,SBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Distribution Accrual Period;

"$\mathbf{d_o}$", for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Distribution Accrual Period;

"$_i$", for the relevant Distribution Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Accrual Period to the last Singapore Business Day in such Distribution Accrual Period;

"**Distribution Determination Date**" means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period unless otherwise specified in the relevant Security Pricing Supplement;

"$\mathbf{n_i}$", for any Singapore Business Day "$_i$", is the number of calendar days from and including such Singapore Business Day "$_i$" up to but excluding the following Singapore Business Day;

"**Observation Period**" means, for the relevant Distribution Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Security Pricing Supplement) prior to the first day of such Distribution Accrual Period (and the first Distribution Accrual Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Security Pricing Supplement) prior to the Distribution Payment Date at the end of such Distribution Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Security Pricing Supplement) prior to such earlier date, if any, on which the Securities become due and payable);

"**Singapore Business Days**" or "**SBD**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day "i"; and

"$\mathbf{SORA_{i-x\ SBD}}$" means, in respect of any Singapore Business Day "i" falling in the relevant Distribution Accrual Period, the reference rate equal to SORA in respect of the Singapore Business Day falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Security Pricing Supplement) prior to the relevant Singapore Business Day "i".

(C) Where SORA Backward Shifted Observation Period is specified in the relevant Security Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Distribution Accrual Period, the rate of return of a daily compound distribution investment during the Observation Period corresponding to such Distribution Accrual Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the relevant Security Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{\mathrm{SORA}_i \times n_i}{365}\right)-1\right] \times \frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Observation Period;

"$\mathbf{d_o}$", for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Observation Period;

"$_\mathbf{i}$", for the relevant Distribution Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

"**Distribution Determination Date**" means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Security Pricing Supplement;

"$\mathbf{n_i}$", for any Singapore Business Day "$_i$", is the number of calendar days from and including such Singapore Business Day "$_i$" up to but excluding the following Singapore Business Day, unless otherwise specified in the relevant Security Pricing Supplement;

"**Observation Period**" means, for the relevant Distribution Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Security Pricing Supplement) prior to the first day of such Distribution Accrual Period (and the first Distribution Accrual Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Security Pricing Supplement) prior to the Distribution Payment Date at the end of such Distribution Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the relevant Security Pricing Supplement) prior to such earlier date, if any, on which the Securities become due and payable);

"**Singapore Business Days**" or "**SBD**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day "i"; and

"**SORA$_i$**" means, in respect of any Singapore Business Day falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day.

(D) Where SORA Payment Delay is specified in the relevant Security Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Distribution Accrual Period, the rate of return of a daily compound distribution investment during such Distribution Accrual Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the relevant Security Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{\mathrm{SORA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Distribution Accrual Period;

"**d$_o$**", for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Distribution Accrual Period;

"$_i$", for the relevant Distribution Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Accrual Period to the last Singapore Business Day in such Distribution Accrual Period;

"**Distribution Determination Date**" means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling one Singapore Business Day after the end of each Distribution Accrual Period, **provided that** if SORA Lockout is specified in the applicable Security Pricing Supplement in addition to SORA Payment Delay, the Distribution Determination Date with respect to the final Distribution Accrual Period will be the date falling one Singapore Business Day after the SORA Rate Cut-Off Date;

"n_i", for any Singapore Business Day "$_i$", is the number of calendar days from and including such Singapore Business Day "$_i$" up to but excluding the following Singapore Business Day;

"**Singapore Business Day**" or "**SBD**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "i", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day "i";

"$\mathbf{SORA_i}$" means, in respect of any Singapore Business Day falling in the relevant Distribution Accrual Period, the reference rate equal to SORA in respect of that Singapore Business Day; and

"**SORA Rate Cut-Off Date**" means the date that is a number of Singapore Business Days prior to the end of the final Distribution Accrual Period or the relevant redemption date, as applicable, as specified in the applicable Security Pricing Supplement.

For the purposes of calculating Compounded Daily SORA with respect to the final Distribution Accrual Period ending on the Maturity Date or any redemption date, the level of SORA for each Singapore Business Day in the period from (and including) the SORA Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant redemption date, as applicable, shall be the level of SORA in respect of such SORA Rate Cut-Off Date.

For the avoidance of doubt, the formula for the calculation of Compounded Daily SORA only compounds SORA in respect of any Singapore Business Day. SORA applied to a day that is not a Singapore Business Day will be taken by applying SORA for the previous Singapore Business Day but without compounding.

(ii) For each Floating Rate Security where the Reference Rate is specified as being SORA Index Average, the SORA Benchmark for each Distribution Accrual Period shall be determined based on the SORA Index Average which shall be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the relevant Distribution Determination Date as follows:

$$\left(\frac{SORA\ Index_{End}}{SORA\ Index_{Start}} - 1\right) \times \left(\frac{365}{d}\right)$$

and the resulting percentage being rounded if necessary to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards, where:

"$\mathbf{d_c}$" means the number of calendar days from (and including) the SORA $\text{Index}_{\text{Start}}$ to (but excluding) the SORA $\text{Index}_{\text{End}}$;

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA Index**" means, in relation to any Singapore Business Day, the SORA Index as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) at the SORA Index Determination Time, **provided that** if the SORA Index does not so appear at the SORA Index Determination Time, then, if a SORA Index Benchmark Event has not occurred, the "**SORA Index Average**" shall be calculated on any Distribution Determination Date with respect to a Distribution Accrual Period, in accordance with the Compounded Daily SORA formula described above in Condition 5A(b)(x)(ii) above, and the Observation Period shall be calculated with reference to the number of Singapore Business Days preceding the first date of the relevant Distribution Accrual Period that is used in the definition of SORA $\text{Index}_{\text{Start}}$ as specified in the applicable Security Pricing Supplement;

"**SORA $\text{Index}_{\text{End}}$**" means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Security Pricing Supplement) preceding the last date of the relevant Distribution Accrual Period or the relevant redemption date, as applicable;

"**SORA $\text{Index}_{\text{Start}}$**" means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Security Pricing Supplement) preceding the first date of the relevant Distribution Accrual Period; and

"**SORA Index Determination Time**" means, in relation to any Singapore Business Day, approximately 3:00 p.m. (Singapore time) on such Singapore Business Day.

(iii) If, subject to Security Condition 5A(c), by 5:00 p.m. (Singapore time), on the Singapore Business Day immediately following such Singapore Business Day "i", SORA in respect of such day "i" has not been published and a SORA Benchmark Event has not occurred, then SORA for that Singapore Business Day "i" will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.

(iv) If the Rate of Distribution cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the relevant Security Pricing Supplement), subject to Security Condition 5A(c), the Rate of Distribution shall be:

(A) that determined as at the last preceding Distribution Determination Date or as the case may be, SORA Rate Cut-Off Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution (as specified in the relevant Security Pricing Supplement) relating to the relevant Distribution Accrual Period in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period); or

(B) if there is no such preceding Distribution Determination Date or as the case may be, SORA Rate Cut-Off Date, the initial Rate of Distribution which would have been applicable to such Series of Securities for the first Distribution Accrual Period had the Securities been in issue for a period equal in duration to the scheduled first Distribution Accrual Period but ending on (and excluding) the Distribution Commencement Date (but applying the Margin and any Maximum Rate of Distribution or Minimum Rate of Distribution applicable to the first Distribution Accrual Period).

(v) If the relevant Series of Securities becomes due and payable in accordance with Security Condition 10 (*Non-Payment*), the final Distribution Determination Date shall, notwithstanding any Distribution Determination Date specified in the relevant Security Pricing Supplement, be deemed to be the date on which such Securities became due and payable (with corresponding adjustments being deemed to be made to the applicable SORA Benchmark formula) and the Rate of Distribution on such Securities shall, for so long as any such Security remains outstanding, be that determined on such date.

(c) Benchmark Replacement (SORA)

(i) Independent Adviser

Notwithstanding the provisions above in this Security Condition 5A(c), if a SORA Benchmark Event occurs in relation to an Original Reference Rate prior to the relevant Distribution Determination Date when any Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Security Condition 5A(c)(ii) and an Adjustment Spread, if any (in accordance with Security Condition 5A(c)), and any Benchmark Amendments (in accordance with Security Condition 5A(c)(iv)) by the relevant Distribution Determination Date.

An Independent Adviser appointed pursuant to this Security Condition 5A(c) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Principal Paying Agent, the Securityholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Security Condition 5A(c).

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement prior to the relevant Distribution Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Security Condition 5A(c)(ii)) and an Adjustment Spread if any (in accordance with Security Condition 5A(c)(iii)) and any Benchmark Amendments (in accordance with Security Condition 5A(c)(iv)).

If the Issuer or Independent Adviser appointed by it is unable to or does not determine the Benchmark Replacement prior to the relevant Distribution Determination Date, the Rate of Distribution applicable to the next succeeding Distribution Accrual Period shall be equal to the Rate of Distribution last determined in relation to the Securities in respect of the immediately preceding

Distribution Accrual Period. If there has not been a First Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution which would have been applicable to the Series of Securities for the first Distribution Period had the Securities been in issue for a period equal in duration to the scheduled first Distribution Period but ending on (and excluding) the Distribution Commencement Date. Where a different Margin or Maximum or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum or Minimum Rate of Distribution relating to the relevant Distribution Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Distribution Accrual Period only and any subsequent Distribution Accrual Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Security Condition 5A(c)(i).

(ii) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Security Condition 5A(c)(i)) shall (subject to adjustment as provided for in Security Condition 5A(c)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Securities (subject to the operation of this Security Condition 5A(c)).

(iii) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Security Condition 5A(c)(i)) (as the case may be) determines (A) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (B) the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement. If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Security Condition 5A(c)(i)) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as the case may be) will apply without an Adjustment Spread.

(iv) Benchmark Amendments

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Security Condition 5A(c)(i)) (as the case may be) determines that (A) Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread, and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Security Condition 5A(c)(v), without any requirement for the consent or approval of Securityholders, the Trustee or the Agents, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by an Authorised Signatory pursuant to Security Condition 5A(c)(v), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed), *provided that* the Trustee shall not be obliged so to concur if in the reasonable opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Security Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee, the Principal Paying Agent and (if applicable) the Calculation Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Security Conditions as may be required in order to give effect to this Security Condition 5A(c)(iv). Securityholders' consent shall not be required in connection with the effecting of the Benchmark Replacement or such other changes, including the execution of other documents or any steps by the Trustee the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or the Independent Adviser with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Security Condition 5A(c)(iv), the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

(v) Notices, etc.

The occurrence of a SORA Benchmark Event shall be determined by the Issuer and any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Security Condition 5A(c) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Principal Paying Agent and, in accordance with Security Condition 16 (*Notices*), the Securityholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date for such Benchmark Replacement, any related Adjustment Spread and of the Benchmark Amendments, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory:

(A) confirming

(1) that a SORA Benchmark Event has occurred;

(2) the Benchmark Replacement; and

(3) where applicable, any Adjustment Spread, and/or the specific terms of the Benchmark Amendments (if any),

in each case as determined in accordance with the provisions of this Security Condition 5A(c); and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement (if any), the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement (if any), the Adjustment Spread (if any) or the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Guarantor, the Trustee, the Calculation Agent, the Paying Agents, the Securityholders and the Couponholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Security Conditions 5A(c)(i) to 5A(c)(iv), the Original Reference Rate and the fallback provisions provided for in Security Condition 5A(c) will continue to apply unless and until the Calculation Agent has been notified of the Benchmark Replacement, and any applicable Adjustment Spread, and Benchmark Amendments, in accordance with Security Condition 5A(c)(v).

For purposes of this Security Condition 5A(c):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Security Condition 5A(c)(i)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Securityholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

(i) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body;

(ii) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or

(iii) is determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Security Condition 5A(c)(i)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate; or with the applicable Benchmark Replacement for the purposes of determining rates of distribution (or the relevant component part thereof) for the same Distribution Accrual Period and in the same currency as the Securities;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Security Condition 5A(c)(i)) (as the case may be) determines in accordance with Security Condition 5A(c)(ii) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the international or, if applicable, domestic debt capital markets transactions for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Securities (including, but not limited to, Singapore Government Bonds);

"**Benchmark Amendments**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Distribution Accrual Period", timing and frequency of determining rates and making payments of distribution, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Distribution Accrual Period, any other amendments to these Security Conditions, the Trust Deed and/or the Agency Agreement and other administrative matters) that the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Security Condition 5A(c)(i)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Security Condition 5A(c)(i)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Security Condition 5A(c)(i)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Security Condition 5A(c)(i)) (as the case may be)) determines is reasonably necessary;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Security Condition 5A(c)(i)) (as the case may be):

(i) the Successor Rate;

(ii) the ISDA Fallback Rate; and

(iii) the Alternative Rate;

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or with experience in the local or international debt capital markets appointed by and at the expense of the Issuer under Security Condition 5A(c)(i);

"**ISDA Fallback Adjustment**" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Original Reference Rate**" means, initially, SORA (being the originally specified benchmark rate used to determine SORA Benchmark and the Rate of Distribution) *provided that* if a SORA Benchmark Event has occurred with respect to SORA or the then-current Original Reference Rate, then "**Original Reference Rate**" means the applicable Benchmark Replacement;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored or endorsed by, chaired or co-chaired by or constituted at the request of:

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;

(B) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);

(C) a group of the aforementioned central banks or other supervisory authorities; or

(D) the Financial Stability Board or any part thereof;

"**SORA Benchmark Event**" means the occurrence of one or more of the following events:

(i) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences by a specified date; or

(v) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date, be deemed to be no longer representative; or

(vi) it has become unlawful for the Principal Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Securityholder using the Original Reference Rate,

provided that the SORA Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition or restriction of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement of the Original Reference Rate (which rate may be produced by the Monetary Authority of Singapore or such other administrator) for the Corresponding Tenor.

6. Redemption and Purchase

(a) *No fixed redemption date:* The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Security Condition 4 (*Status and Guarantee of the Securities*) and without prejudice to Security Condition 10 (*Non-payment*)) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Security Condition 6.

(b) *Redemption for tax reasons:* The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Distribution Payment Date, on the Issuer's giving not less than 15 nor more than 30 Business Days' notice to the Securityholders, or such other period(s) as may be specified in the relevant Security Pricing Supplement, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with Distribution accrued (if any) to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if, immediately before giving such notice:

(i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(A) the Securities will not be regarded as "debt securities" for the purposes of Section 43H(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; and/or

(B) the Distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) (A) the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Security Condition 9 (*Taxation*), or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws or regulations (or rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements (including a holding by a court of competent jurisdiction), or the Securities do not qualify as "qualifying debt securities" for the purposes of the ITA, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Securities; and (B) such obligation cannot be avoided by the Issuer (or if the Guarantee was called, the Guarantor) taking reasonable measures available to it,

(each a "**Withholding Tax Event**") **provided, however, that** no such notice of redemption shall be given earlier than 90 days (or such other period as may be specified in the relevant Security Pricing Supplement) prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Securities were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (1) a certificate signed by an Authorised Signatory stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion, in form and substance satisfactory to the Trustee, of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer or the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change or amendment, interpretation or pronouncement as set out in Security Condition 6(b)(ii) above (if applicable).

The Trustee shall be entitled to accept and rely upon such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Securityholders.

Upon the expiry of any such notice as is referred to in this Security Condition 6(b), the Issuer shall be bound to redeem the Securities in accordance with this Security Condition 6(b).

References in this Condition 6(b) to "independent legal, tax or any other professional advisers of recognised standing" are not intended to and shall not in the ordinary course exclude any of the Issuer's usual tax or legal advisers, or any such adviser who may have tendered professional services to the Issuer in connection with the issue and offering of the Securities.

(c) *Redemption at the option of the Issuer:* The Securities may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Security Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice to the Securityholders, or such other period(s) as may be specified in the relevant Security Pricing Supplement (which notice shall be irrevocable) and shall oblige the Issuer to redeem the Securities or, as the case may be, the Securities specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus Distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).

Upon the expiry of any such notice as is referred to in this Security Condition 6(c), the Issuer shall be bound to redeem the Securities on the relevant Call Date in accordance with this Security Condition 6(c).

If the Securities are to be redeemed in part only on a relevant Call Date in accordance with this Security Condition 6(c), each Security shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Securities to be redeemed on the relevant Call Date bears to the aggregate principal amount of outstanding Securities on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Security Pricing Supplement, then the Optional Redemption Amount (Issuer) shall in no event be greater than the maximum or be less than the minimum so specified.

(d) *Redemption upon a Capital Event:* If Redemption upon a Capital Event is specified as applicable in the relevant Security Pricing Supplement, the Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Distribution Payment Date, on the Issuer's giving not less than 15 nor more than 30 Business days' notice to the Securityholders, or such other period(s) as may be specified in the relevant Security Pricing Supplement (which notice shall be irrevocable) and shall oblige the Issuer to redeem the Securities at their Early Redemption Amount (Capital Event) plus Distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if, immediately before giving such notice, an amendment, clarification or change has occurred or will occur prior to the next Distribution Payment Date, in the equity credit criteria, guidelines or methodology of any relevant Rating Agency or any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Securities than the equity credit assigned on the Issue Date or assigned at the date when equity credit is assigned for the first time (a "**Capital Event**").

Prior to the publication of any notice of redemption pursuant to this Security Condition 6(b), the Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed by an Authorised Signatory stating that the circumstances referred to above prevail and setting out the details of such circumstances.

(e) *Redemption upon a Tax Deductibility Event:* If the Redemption upon a Tax Deductibility Event is specified as applicable in the relevant Security Pricing Supplement, the Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Distribution Payment Date, on the Issuer's giving not less than 15 nor more than 30 Business Days' notice to the Securityholders, or such other period(s) as may be specified in the relevant Security Pricing Supplement (which notice shall be irrevocable) at their Early Redemption Amount (Tax Deductibility Event) plus Distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if:

(i) immediately before giving such notice, as a result of:

(A) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is made public, enacted, promulgated, issued or becomes effective which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Securities;

(B) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is made public, enacted, promulgated, issued or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Securities; or

(C) any applicable official interpretation or pronouncement (which, for the avoidance of doubt, includes any ruling) which is issued or announced on or after the date on which agreement is reached to issue the first Tranche of the Securities that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position,

the distributions (including any Arrears of Distribution and any Additional Distribution Amounts) by the Issuer are no longer, or within 90 days of the date of the certificate referred to below would no longer, be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA; or

(ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount (if any)) will not be regarded as interest in nature for the purpose of the ITA or would not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA (each, a "**Tax Deductibility Event**").

Prior to the publication of any notice of redemption pursuant to this Security Condition 6(e), the Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed by an Authorised Signatory stating that the circumstances referred to above prevail and setting out the details of such circumstances.

The Trustee shall be entitled to accept and rely upon such certificate as sufficient evidence of the satisfaction of the circumstances set out above, in which event it shall be conclusive and binding on the Securityholders.

Upon the expiry of any such notice as is referred to in this Security Condition 6(e), the Issuer shall be bound to redeem the Securities in accordance with this Security Condition 6(e).

(f) *Redemption upon an Accounting Event:* If Redemption upon an Accounting Event is specified as applicable in the relevant Security Pricing Supplement, the Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Distribution Payment Date, on the Issuer's giving not less than 15 nor more than 30 Business Days' notice to the Securityholders, or such other period(s) as may be specified in the relevant Security Pricing Supplement (which notice shall be irrevocable) at their Early Redemption Amount (Accounting Event) plus Distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if, immediately before giving such notice, as a result of any changes or amendments to Singapore Financial Reporting Standards (International) ("**SFRS(I)**")) or any other accounting standards that may replace SFRS(I) for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Securities must not or must no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard (an "**Accounting Event**").

Prior to the publication of any notice of redemption pursuant to this Security Condition 6(f), the Issuer shall deliver or procure that there is delivered to the Trustee (1) a certificate, signed by an Authorised Signatory, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and (2) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect.

The Trustee shall be entitled to accept and rely upon such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Securityholders.

Upon the expiry of any such notice as is referred to in this Security Condition 6(f), the Issuer shall be bound to redeem the Securities in accordance with this Security Condition 6(f) **provided that** such date for redemption shall be no earlier than 90 days prior to the last day before the date on which the Securities must not or must no longer be so recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

(g) *Redemption in the case of Minimal Outstanding Amount:* The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Distribution Payment Date, on the Issuer giving not less than 15 nor more than 30 days' notice to the Securityholders, or such other period(s) as may be specified in the relevant Security Pricing Supplement (which notice shall be irrevocable) at the Early Redemption Amount (Minimal Outstanding Amount) plus Distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if, immediately before giving such notice; the aggregate principal amount of the Securities outstanding is less than 15 per cent. of the aggregate principal amount originally issued (including any further securities issued in accordance with Security Condition 15 (*Further Issues*)).

Upon the expiry of any such notice as is referred to in this Security Condition 6(g), the Issuer shall be bound to redeem the Securities in accordance with this Security Condition 6(g).

(h) *Redemption upon Cessation or Suspension of Trading Event:* If Redemption upon Cessation or Suspension of Trading Event (as defined below) is specified as applicable in the relevant Security Pricing Supplement, the Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Distribution Payment Date, on the Issuer's giving not less than 30 nor more than 60 days' notice to the Securityholders, or such other period(s) as may be specified in the relevant Security Pricing Supplement (which notice shall be irrevocable) and shall oblige the Issuer to redeem the Securities at their Early Redemption Amount (Cessation or Suspension of Trading Event) plus Distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), following the occurrence of a Cessation or Suspension of Trading Event.

For the purposes of this Security 6(h):

"**Cessation or Suspension of Trading Event**" means, in respect of the shares of the Guarantor, the occurrence of one or more of the following events:

(a) the shares of the Guarantor cease to be traded on the SGX-ST; or

(b) trading in the shares of the Guarantor on the SGX-ST is suspended for a continuous period of more than 10 consecutive Exchange Business Days; and

"**Exchange Business Day**" means a day on which the SGX-ST is open for trading in securities during its regular trading hours.

(i) *Partial redemption:* If the Securities are to be redeemed in part only on any date in accordance with Security Condition 6(c) (*Redemption at the option of the Issuer*), in the case of Bearer Securities, the Securities to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent and the Issuer approve and in such manner as the Principal Paying Agent and the Issuer consider appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Securities have then been admitted to listing, trading and/or quotation and the notice to Securityholders referred to in Security Condition 6(c) (*Redemption at the option of the Issuer*) above shall specify the serial numbers of the Securities so to be redeemed, and, in the case of Registered Securities, each Security shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Securities to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Securities on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Security Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(j) *No other redemption:* The Issuer shall not be entitled to redeem the Securities and shall have no obligation to make any payment of principal or Distribution (including any Arrears of Distribution and any Additional Distribution Amount) otherwise than as provided in Security Conditions 6(b) (*Redemption for tax reasons*), 6(c) (*Redemption at the option of the Issuer*), 6(g) (*Redemption in the case of Minimal Outstanding Amount*) and, to the extent specified as applicable in the relevant Security Pricing Supplement, in Security Conditions 6(d) (*Redemption upon a Capital Event*), 6(e) (*Redemption upon a Tax Deductibility Event*), 6(f) (*Redemption upon an Accounting Event*) and 6(h) (*Redemption upon Cessation or Suspension of Trading Event*) and/or as otherwise specified in the relevant Security Pricing Supplement.

(k) *Purchase:* The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Securities in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.

(l) *Cancellation:* All Securities so redeemed or purchased by or on behalf of the Issuer, the Guarantor and/or any of their Subsidiaries may be surrendered for cancellation, in the case of Bearer Securities, by surrendering each such Security together with all unmatured Coupons and all unexchanged Talons to the Principal Paying Agent at its Specified Office and, in the case of Registered Securities, by surrendering the Certificate representing such Securities to the Registrar and, in each case, if so surrendered, the same shall, together with all Securities redeemed by the Issuer or the Guarantor, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Securities shall be discharged.

(m) *Calculations:* Neither the Trustee nor any of the Agents (other than the Calculation Agent and solely in respect of its functions as an appointed Calculation Agent of the Issuer) shall be responsible for calculating or verifying the calculations of any amount under any notice of redemption or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto, and shall not be liable to the Securityholders or any other person for not doing so.

(n) *Notices of redemption:* If there is more than one notice of redemption given in respect of any Security (which shall include any notice given by the Issuer pursuant to Security Condition 6(b) (*Redemption and Purchase – Redemption for tax reasons*), Security Condition 6(c) (*Redemption and Purchase – Redemption at the option of the Issuer*), Security Condition 6(d) (*Redemption and Purchase – Redemption upon a Capital Event*), Security Condition 6(e) (*Redemption and Purchase – Redemption upon a Tax Deductibility Event*), Security Condition 6(f) (*Redemption and Purchase – Redemption upon an Accounting Event*) or Security Condition 6(g) (*Redemption and Purchase – Redemption in the case of Minimal Outstanding Amount*)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail.

7. Payments – Bearer Securities

This Security Condition 7 is only applicable to Bearer Securities.

(a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Securities at the Specified Office of any Paying Agent outside the United States (i) in case of Singapore dollars, by transfer to an account denominated in Singapore dollars and maintained by the payee with a bank in Singapore, (ii) in the case of a currency other than Renminbi or Singapore dollars, by transfer to an account denominated in the currency in which the payment is due on (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency, and (iii) in the case of Renminbi, by transfer to an account denominated in Renminbi and maintained by the payee with a bank in Hong Kong.

(b) *Distribution:* Payments of Distribution shall, subject to paragraph (i) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) *Payments in New York City:* Payments of principal or Distribution may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the Distribution in the currency in which the payment is due when due, and payment of the full amount of such Distribution at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) payment is permitted by applicable United States law.

(d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Securities are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Security Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Security Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Securityholders or Couponholders in respect of such payments.

(e) *Deductions for unmatured Coupons:* If the Fixed Rate Security Provisions are specified as applicable in the relevant Security Pricing Supplement and a Bearer Security is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(f) *Unmatured Coupons void:* If Unmatured Coupons void is specified as applicable in the relevant Security Pricing Supplement or Floating Rate Security Provisions are specified as applicable in the relevant Security Pricing Supplement, on the due date for final redemption of any Security or early redemption in whole of such Security pursuant to Security Conditions 6(b) (*Redemption for tax reasons*), 6(c) (*Redemption at the option of the Issuer*), 6(d) (*Redemption upon a Capital Event*), 6(e) (*Redemption upon a Tax Deductibility Event*), 6(f) (*Redemption upon an Accounting Event*) or 6(g) (*Redemption in the case of Minimal Outstanding Amount*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Security or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further distribution or other payment in respect of any such delay.

(h) *Payments other than in respect of matured Coupons:* Payments of Distribution other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Security at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) (*Payments in New York City*) above).

(i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Security or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Security, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Security Condition 11 (*Prescription*). Upon the due date for redemption of any Bearer Security, any unexchanged Talon relating to such Security shall become void and no Coupon will be delivered in respect of such Talon.

(k) *Renminbi fallback:* Notwithstanding any other provision in these Security Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer or the Guarantor, in their sole discretion, are not able to satisfy payments of principal or distribution in respect of Bearer Securities when due in Renminbi in Singapore, the Issuer or, as the case may be, the Guarantor may, on giving not less than 15 nor more than 30 Business Days' irrevocable notice to the Securityholders and the Paying Agent prior to the due date for the relevant payment, settle any such payment in Singapore dollars on the due date at the Singapore Dollar Equivalent of any such Renminbi denominated amount. In such event, payment of the Singapore Dollar Equivalent (as applicable) of the relevant amounts due under the Bearer Securities shall be made by transfer to a Singapore dollar denominated account maintained by the payee with a bank in Singapore.

8. Payments – Registered Securities

This Security Condition 8 is only applicable to Registered Securities.

(a) *Principal:* Payments of principal shall be made:

(i) in the case of a currency other than Renminbi and Singapore dollars, upon application by a Holder of a Registered Security to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by wire transfer to a registered account denominated in that currency in which payment is due (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency;

(ii) in the case of Renminbi, by wire transfer to a registered account denominated in Renminbi and maintained by the payee with a bank in Hong Kong, and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Security Certificates at the Specified Office of any Paying Agent; and

(iii) in the case of Singapore dollars, upon application by a Holder of a Registered Security to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by wire transfer to a registered account denominated in Singapore dollars and maintained by the payee with a bank in Singapore.

(b) *Distribution:* Payments of distribution shall be made:

(i) in the case of a currency other than Renminbi and Singapore dollars, upon application by a Holder of a Registered Security to the Specified Office of the Principal Payment Agent not later than the fifteenth day before the due date for any such payment, by wire transfer to a registered account denominated in that currency in which payment is due (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency;

(ii) in the case of Renminbi, by wire transfer to a registered account denominated in Renminbi and maintained by the payee with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth Business Day before the due date for payment, and (in the case of Distribution payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Security Certificates at the Specified Office of any Paying Agent; and

(iii) in the case of Singapore dollars, upon application by a Holder of a Registered Security to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by wire transfer to a registered account denominated in Singapore dollars and maintained by the payee with, a bank in Singapore.

(c) *Payments subject to fiscal laws:* All payments in respect of the Registered Securities are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Security Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Security Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Securityholders in respect of such payments.

(d) *Payments on business days:* Payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated (i) (in the case of payments of principal and Distribution payable on redemption) on the later of the due date for payment and the day on which the relevant Security Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of Distribution payable other than on redemption) on the due date for payment. A Holder of a Registered Security shall not be entitled to any distribution or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

(e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Security, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Security Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Security Certificate.

(f) *Record date:* Each payment in respect of a Registered Security will be made to the person shown as the Holder in the Register at the close of business in the place of the relevant Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**").

(g) *Renminbi fallback*: Notwithstanding any other provision in these Security Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer or the Guarantor, in their sole discretion, are not able to satisfy payments of principal or distribution in respect of Registered Securities when due in Renminbi in Singapore, the Issuer or, as the case may be, the Guarantor may, on giving not less than 10 nor more than 30 days' irrevocable notice to the Securityholders and the Paying Agent prior to the due date for the relevant payment, settle any such payment in Singapore dollars on the due date at the Singapore Dollar Equivalent of any such Renminbi denominated amount. In such event, payment of the Singapore Dollar Equivalent (as applicable) of the relevant amounts due under the Registered Securities shall be made by transfer to a Singapore dollar denominated account maintained by the payee with a bank in Singapore.

*For so long as any of the Securities that are cleared through Euroclear or Clearstream or any other clearing system, are represented by a Global Security or a Global Security Certificate, each payment in respect of the Global Security or Global Security Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January. For so long as any of the Security that are cleared through CDP are represented by a Global Security or a Global Security Certificate, the record date for purposes of determining entitlements to any payment of principal, Distribution and any other amounts in respect of the Security shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by CDP).*

9. Taxation

(a) *Gross up:* All payments of principal and Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore or any political subdivision therein or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Securityholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Security or Coupon presented (or in respect of which the Security Certificate representing it is presented) for payment:

(i) held by or on behalf of a Holder who is (A) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (B) liable to such taxes, duties, assessments or governmental charges in respect of such Security or Coupon by reason of it having some connection with the jurisdiction by which such taxes, duties, assessments or governmental charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Security or Coupon; or

(ii) where the relevant Security or Coupon or Security Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Security or Coupon would have been entitled to such additional amounts on presenting or surrendering such Security or Coupon or Certificate for payment on the last day of such period of 30 days; or

(iii) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Security (or the Security Certificate representing it), or Coupon is presented for payment, but fails to do so.

Where the Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Securities by or on behalf of the Issuer or the Guarantor may be subject to Singapore withholding tax, regardless of the underlying receipts from which the Distributions are made. In that event, neither the Issuer nor the Guarantor will pay any Additional Amounts in respect of any such withholding or deduction from payments in respect of the Securities for or on account of any such taxes or duties.

Notwithstanding any other provision of these Security Conditions, in no event will the Issuer or the Guarantor be required to pay any additional amounts in respect of the Securities and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(b) *Taxing jurisdiction:* If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than Singapore, references in these Security Conditions to "Singapore" shall be construed as references to Singapore and/or such other jurisdiction.

(c) Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Security Condition 9 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, any Securityholder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or be responsible to provide any notice or information in relation to the Securities in connection with payment of such tax, duty, charges, withholding or other payment in any jurisdiction.

10. Non-payment

(a) *Limited rights to institute proceedings:* Notwithstanding any of the provisions below in this Security Condition 10, the right to institute proceedings for a Winding-Up is limited to circumstances where payment has become due. In the case of any Distribution, such Distribution will not be due if the Issuer has elected to defer that Distribution in accordance with Security Condition 5(d) (*Distribution – Distribution Deferral*). In addition, nothing in this Security Condition 10 (*Non-payment*), including any restriction on commencing proceedings, shall in any way restrict or limit any rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer or the Guarantor, in respect of any costs, charges, fees, expenses properly incurred or liabilities incurred by such party pursuant to or in connection with the Trust Deed or the Securities.

(b) *Proceedings for Winding-Up:* Upon (i) a final and effective order being made or an effective resolution being passed for a Winding-Up of the Issuer or the Guarantor, or (ii) Non-payment of the Issuer or the Guarantor (each, an "**Enforcement Event**"), the Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee may, subject to the provisions of Security Condition 10(d) (*Non-payment – Entitlement of Trustee*), and subject to and to the extent permitted by applicable law, institute proceedings for the Winding-Up of the Issuer and the Guarantor, and/or prove in the Winding-Up and/or claim in the Winding-Up for the principal amount of the Securities together with Distribution, Arrears of Distribution and any Additional Distribution Amount accrued to the day prior to the commencement of the Winding-Up.

(c) *Enforcement:* Without prejudice to Security Condition 10(b) (*Non-payment – Proceedings for Winding-Up*) above but subject to the provisions of Security Condition 10(d) (*Non-payment – Entitlement of Trustee*) below, the Trustee may without further notice to the Issuer or the Guarantor institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer or the Guarantor under the Trust Deed or the Securities (other than any payment obligation of the Issuer or the Guarantor under or arising from the Securities, the Guarantee of the Securities or the Trust Deed, including, without limitation, payment of any principal or Distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities, including any damages awarded for breach of any obligations), **provided that** in no event shall the Issuer or the Guarantor, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) *Entitlement of Trustee:* The Trustee at its discretion may and, if so requested in writing by Holders of at least 25 per cent. of the aggregate principal amount of the Securities then outstanding or if so directed by an Extraordinary Resolution of the Securityholders, shall take any of the actions referred to in Security Condition 10(b) (*Non-payment – Proceedings for Winding-Up*) or Security Condition 10(c) (*Non-payment – Enforcement*) above against the Issuer or the Guarantor to enforce the terms of the Trust Deed or the Securities subject in any such case to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction in accordance with the Trust Deed or the Securities.

(e) *Right of Holders:* No Holder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the Winding-Up and/or to prove in the Winding-Up and/or claim in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such Winding-Up, fails to do so within a reasonable period and such failure shall be continuing, in which case the Holder shall have only such rights against the Issuer and the Guarantor as those which the Trustee is entitled to exercise as set out in this Security Condition 10.

(f) *Extent of Holders' remedy:* No remedy against the Issuer or the Guarantor, other than as referred to in this Security Condition 10, shall be available to the Trustee or the Securityholders, whether for the recovery of amounts owing in respect of the Securities under the Trust Deed or the Securities or in respect of any breach by the Issuer or the Guarantor of any of its other obligations under or in respect of the Securities or the Trust Deed.

11. Prescription

Claims for principal and premium (if any) in respect of Bearer Securities, if expressed to be governed by English laws, shall become void unless the relevant Bearer Securities are presented for payment within 10 years of the appropriate Relevant Date. Claims for principal and premium (if any) in respect of Bearer Securities, if expressed to be governed by Singapore laws, shall become void unless the relevant Bearer Securities are presented for payment within three years of the appropriate Relevant Date. Claims for Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of Bearer Securities, if expressed to be governed by English laws, shall become void unless the relevant Coupons are presented for payment within ten years of the appropriate Relevant Date. Claims for Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of Bearer Securities, if expressed to be governed by Singapore laws, shall become void unless the relevant Coupons are presented for payment within three years of the appropriate Relevant Date.

Claims for principal, premium (if any) and Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on redemption in respect of Registered Securities, if expressed to be governed by English laws, shall become void unless the relevant Security Certificates are surrendered for payment within 10 years of the appropriate Relevant Date. Claims for principal, premium (if any) and Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on redemption in respect of Registered Securities, if expressed to be governed by Singapore laws, shall become void unless the relevant Security Certificates are surrendered for payment within three years of the appropriate Relevant Date.

12. Replacement of Securities and Coupons

If any Security, Security Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Securities, or the relevant Registrar, in the case of Registered Securities (and, if the Securities are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws, regulations and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the fees, costs and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Security, Security Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Security, Security Certificate, Coupon or Talon) and otherwise as the Issuer, the relevant Registrar and/or such Transfer Agent may reasonably require. Mutilated or defaced Securities, Security Certificates or Coupons must be surrendered before replacements will be issued.

13. Trustee and Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and/or pre-funded and/or provided with security to its satisfaction and relieved from responsibility in certain circumstances and to be paid its fees, costs, expenses and indemnity payments in priority to the claims of the Securityholders. In addition, the Trustee, the Agents and their respective directors and officers are entitled to enter into business transactions with the Issuer, the Guarantor and any entity relating to the Issuer or the Guarantor without being accountable for the same (including any profit therefrom) to the Securityholders, the Couponholders or any person.

Each Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, the Guarantor and the Trustee shall not at any time have any responsibility.

In the exercise of its powers and discretions under these Security Conditions, the Agency Agreement and the Trust Deed, the Trustee will have regard to the interests of the Securityholders as a class and will not be responsible for any consequence for individual Securityholders as a result of such Securityholders being connected in any way with a particular territory or taxing jurisdiction. The Trustee shall not be entitled to require on behalf of any Securityholders nor shall any Securityholders be entitled to claim, from the Issuer, the Guarantor or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders except to the extent already provided in Security Condition 9 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Security Condition 9 (*Taxation*) pursuant to the Trust Deed.

In acting under the Agency Agreement and in connection with the Securities and the Coupons, the Agents act solely as agents of the Issuer and the Guarantor and (to the extent provided therein) the Trustee and the Agents do not assume any obligations towards or relationship of agency or trust for or with any of the Securityholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Security Pricing Supplement. The Issuer and the Guarantor reserve the right (with the prior approval of the Trustee, such approval not to be unreasonably delayed) at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent, principal registrar, CDP issuing and paying agent, CDP registrar or Calculation Agent and additional or successor paying agents; **provided, however, that**:

(a) the Issuer and the Guarantor shall at all times maintain a principal paying agent and a principal registrar; and

(b) the Issuer and the Guarantor shall at all times maintain a CDP issuing and paying agent and a CDP registrar in relation to Securities accepted for clearance through the CDP;

(c) if a Calculation Agent is specified in the relevant Security Pricing Supplement, the Issuer and the Guarantor shall at all times maintain a Calculation Agent; and

(d) if and for so long as the Securities are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer and the Guarantor shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall be given to the Securityholders by the Issuer in accordance with the Trust Deed.

14. Meetings of Securityholders; Modification and Waiver

(a) *Meetings of Securityholders:* The Trust Deed contains provisions for convening meetings of Securityholders of a Series to consider any matters affecting their interests, including the modification of any provision of these Security Conditions, the Trust Deed and/or the Agency Agreement. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting (i) may be convened by the Issuer and the

Guarantor (acting together) or by the Trustee and (ii) shall be convened by the Trustee (subject to it being first indemnified, pre-funded and/or provided with security to its satisfaction) upon the request in writing of Securityholders holding not less than one-tenth of the aggregate principal amount of any Series of the outstanding Securities. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the Series of outstanding Securities or, at any adjourned meeting, two or more Persons being or representing Securityholders whatever the principal amount of the Series of Securities held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Securityholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the relevant Series of outstanding Securities form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Securityholders and Couponholders of the relevant Series, whether present or not.

(b) Written Resolutions and Electronic Consent:

(i) The Trust Deed provides that:

(A) a written resolution signed by or on behalf of the Securityholders of not less than three-quarters of the aggregate principal amount of a Series of Securities then outstanding who for the time being are entitled to receive notice of a meeting (such a resolution in writing (a "**Written Resolution**") may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders); or

(B) where the Securities are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer and the Guarantor (acting together) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the Securityholders of not less than three-quarters of the aggregate principal amount of a Series of Securities then outstanding (an "**Electronic Consen**t"),

shall, in each case for all purposes, be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held.

Electronic Consents are not capable of being communicated by Holders through any electronic communications system of CDP. Accordingly, where Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held by CDP, Electronic Consents will not be possible.

(ii) A Written Resolution and/or Electronic Consent will be binding on all Securityholders whether or not they participated in such Written Resolution and/or Electronic Consent, as the case may be.

(c) *Modification and waiver:* The Trustee may (but shall not be obliged to), without the consent of the Securityholders, agree to any modification of these Security Conditions, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, not materially prejudicial to the interests of Securityholders and to any modification of the Securities, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error or is required by Euroclear, Clearstream and/or CDP.

In addition, the Trustee may, without the consent of the Securityholders, authorise or waive any proposed breach or breach of the Securities or the Trust Deed or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Securityholders will not be materially prejudiced thereby.

Any such modification, waiver or authorisation shall be binding on the Securityholders and unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified by the Issuer to the Securityholders as soon as practicable thereafter.

(d) *Direction from Securityholders:* Notwithstanding anything to the contrary in these Security Conditions, the Agency Agreement and/or the Trust Deed, whenever the Trustee is required or entitled by the terms of these Security Conditions or the Trust Deed and/or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions or clarifications from the Securityholders by way of an Extraordinary Resolution and shall have been indemnified, pre-funded and/or provided with security to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or clarification of such directions, or in the event that the directions or clarifications sought are not provided by Securityholders.

(e) *Certificates and reports:* The Trustee may rely without liability to any Securityholder, Couponholder or to any other person on a report, advice, opinion, confirmation or certificate from any lawyers, valuers, accountants (including the auditors, surveyors), financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation, certificate, opinion or advice shall be binding on the Securityholders and the Couponholders.

15. Further Issues

The Issuer may from time to time, without the consent of the Securityholders or Couponholders and in accordance with the Trust Deed, create and issue further securities having the same terms and conditions as the Securities of any Series (or in all respects except for the issue date and the first payment of Distribution (including any Arrears of Distribution and any Additional Distribution Amount) and so that the same shall be consolidated and form a single Series with such Securities, and references in these Security Conditions to "Securities" shall be construed accordingly. The Issuer may from time to time create and issue other series of securities having the benefit of the Trust Deed.

16. Notices

(a) *Bearer Securities:* Notices to the holders of Bearer Securities shall be valid if published in a leading English language daily newspaper of general circulation in Singapore (which is expected to be *The Business Times*), or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Asia (which is expected to be *The Wall Street Journal, Asian Edition*), **provided that**, for so long as the Bearer Securities are listed and admitted to trading on the Official List of the SGX-ST, notices to Holders of Bearer Securities shall also be valid if published by way of an announcement through the internet-based submission system operated by the SGX-ST. Any such notice shall be deemed to have been given on the date of first publication (or if published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Securities.

(b) *Registered Securities:* Notices to the holders of Registered Securities shall be valid if mailed to them at their respective addresses in the Register or if published in a leading English language daily newspaper of general circulation in Singapore (which is expected to be The Business Times), or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Asia (which is expected to be The Wall Street Journal, Asian Edition), **provided that**, for so long as the Registered Securities are listed and admitted to trading on the Official List of the SGX-ST, notices to the holders of Registered Securities shall also be valid if published by way of an announcement through the internet-based submission system operated by the SGX-ST. Any such notice shall be deemed to have been given (if published by way of an announcement through the internet-based submission system operated by the SGX-ST) on the date of first publication (or if published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or (if mailed) on the fourth weekday (being a day other than a Saturday, a Sunday or a gazetted public holiday) after the date of mailing.

So long as the Securities are represented by a Global Security or a Global Security Certificate and such Global Security or Global Security Certificate is held (i) on behalf of Euroclear or Clearstream, or any other clearing system (except as provided in (ii) below), notices to the holders of Securities of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Security Conditions or by delivery of the relevant notice to the holder of the Global Security or Global Security Certificate; (ii) by CDP, notices to the holders of Securities of that Series may be given by delivery of the relevant notice to the persons shown in the list of Securityholders provided by CDP or, in each case, notices to the holders of Securities of that Series may also be given by way of publication in a leading English language daily newspaper of general circulation in Singapore (which is expected to be The Business Times)), ***provided that****, in each case, for so long as the Notes represented by such Global Security or Global Security Certificate are listed and admitted to trading on the Official List of the SGX-ST, notices to the holders of such Security shall also be valid if published by way of an announcement through the internet-based submission system operated by the SGX-ST. Any such notice will be deemed to have been given at 5:00 pm on the day the relevant clearing system receives such notice or two business days after despatch or on the date of first publication, as the case may be.*

Notwithstanding the other provisions of this Condition 16, in any case where the identities and addresses of all the Securityholders are known to the Issuer, notices to such holders may be given individually by mail to such addresses and will be deemed to have been given two days after despatch.

17. Rounding

For the purposes of any calculations referred to in these Security Conditions (unless otherwise specified in these Security Conditions or the relevant Security Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all Singapore or United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

18. Governing Law and Jurisdiction

(a) *Governing law:* The Trust Deed, the Securities and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Securities and the Coupons are governed by, and construed in accordance with:

(i) if the Securities are specified to be governed by English law in the applicable Security Pricing Supplement, English law, provided that the subordination provisions set out in Condition 4 (*Status and Guarantee of the Securities*) are governed by Singapore law; or

(ii) if the Securities are specified to be governed by Singapore law in the applicable Security Pricing Supplement, Singapore law.

(b) *Jurisdiction:*

(i) (A) if the Securities are specified to be governed by English law in the applicable Pricing Supplement, the English courts, or (B) if the Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, the courts of Singapore (the "**Relevant Courts**") have non-exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Securities and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Securities and/or the Coupons (a "**Dispute**") and accordingly each of the Issuer, the Guarantor and the Trustee and any Securityholders or Couponholders in relation to any Dispute submits to the non-exclusive jurisdiction of the Relevant Courts.

(ii) To the extent allowed by law, the Trustee, the Securityholders and the Couponholders may, in respect of any Dispute or Disputes, take (1) proceedings in any other court with jurisdiction; and (2) concurrent proceedings in any number of jurisdictions.

(c) *Service of process:*

(i) Each of the Issuer and the Guarantor agrees that the documents which start any Dispute under English law (an "**English Law Dispute**") and any other documents required to be served in relation to such English Law Dispute may be served on it by being delivered to Worldwide Flight Services Limited with its address at Building 552 Shoreham Road East, London Heathrow Airport, Hounslow, England, TW6 3UA or to such other person with an address in England or Wales and/or such other address in England or Wales as the Issuer or (as the case may be), the Guarantor may specify by notice in writing to the Trustee. Nothing herein shall affect the right to serve process in any other manner permitted by law. This Security Condition 18(c) (*Service of Process*) applies to English Law Disputes in England and to English Law Disputes elsewhere.

(ii) Each of the Issuer and the Guarantor has in the English law Trust Deed and the Agency Agreement (in respect of English Law Disputes), submitted to the jurisdiction of the courts of England and Wales.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Instruments will be used for (i) refinancing of existing borrowings, financing of potential acquisition and investment opportunities which the Group may pursue in the future as well as working capital requirements, capital expenditure requirements and other general corporate purposes of the Group or (ii) such other purposes as may be specified in the relevant Pricing Supplement.

CAPITALISATION AND INDEBTEDNESS OF THE GROUP

The table below sets forth the consolidated capitalisation and indebtedness of the Group as at 30 September 2023. This table should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this Offering Circular.

	As at 30 September 2023
	(S$ 'million)
Borrowings (Current)	130.5
Borrowings (Non-Current)	2,648.3
Total Equity	2,519.8
Total capitalisation and indebtedness	**5,298.6**

There has been no material change in the capitalisation and indebtedness of the Group since 30 September 2023.

DESCRIPTION OF THE ISSUER

The Issuer was incorporated as a private company limited by shares under the laws of the Republic of Singapore on 13 March 2023. It is a wholly-owned Subsidiary of SATS. The principal activities of the Issuer are the provision of finance and treasury services to SATS and its Subsidiaries. The Issuer will utilise the net proceeds of the issue, after deducting issue expenses, to fund its ordinary course of business. The registered address of the Issuer as at the date of this Offering Circular is 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659. The issued share capital of the Issuer is S$100,000 comprising 100,000 ordinary shares issued and held by SATS.

No financial statements for the Issuer are included in this Offering Circular, and the Issuer will not publish financial statements on an interim basis or otherwise (except for such statements, if any, which the Issuer is required by Singapore law to publish).

The following table sets forth the name and position of each member of the Board of Directors of the Issuer:

Name	**Business Address**
Seah Kok Khong	20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659
Mok Tee Heong Kerry	20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659

Please refer to the section "*Directors and Management – Board of Directors*" for write-ups on the experience and expertise of the individual directors.

DESCRIPTION OF THE GROUP

1. BACKGROUND

The Group is a global leader in gateway services and Asia's pre-eminent provider of food solutions.

The Group's Gateway Services business encompasses (i) airfreight handling, (ii) ground handling, (iii) security, and (iv) cruise terminal services. The airfreight handling services, in particular, include general cargo, perishable cargo, dangerous goods, mail and eCommerce shipments as well as transshipment services in hub stations. The Group also offers an EU-wide trucking and offline handling network. The ground handling services, in particular, include passenger and apron services (including ramp handling, baggage handling, passenger handling including check-in and onboarding, and aircraft interior cleaning). The security services comprise primarily aviation security services to the Group's airline customers in Singapore and Brazil and non-aviation related security services to agencies across Singapore. On the provision of cruise terminal services, the Group manages and operates the Marina Bay Cruise Centre Singapore ("**MBCCS**") and Hong Kong's Kai Tak Cruise Terminal ("**KTCT**").

The Group's Food Solutions business comprises mainly in-flight catering services, commercial catering services (including institutional catering services), food processing, chilled, frozen and retort food manufacturing, food logistics and distribution services, and airline linen and laundry services.

As at the Latest Practicable Date, the Group has a multinational business with a presence in over 210 locations and 27 countries across the Asia Pacific, United Kingdom, Europe, the Middle East, Africa and the Americas. For 6MFY2024, the Group handled a total of 38.5 million passengers, 299.1k flights, processed 3,726.6k tonnes of cargo/mail, produced 47.1 million meals, and handled 131 ship calls.

SATS has been listed on the SGX-ST since 12 May 2000 and as at the Latest Practicable Date, it has a market capitalisation of approximately S$3.77 billion.

The Guarantor has been assigned an A3 issuer rating and a baa3 Baseline Credit Assessment by Moody's. The Programme has been assigned a rating of (P)A3 by Moody's. As announced in Moody's press release in relation to the rating of the Guarantor and the Programme, the Group's credit strengths are (i) strong market position as the leading ground handling and inflight catering services provider in Singapore; (ii) customers with good credit quality which have historically formed the bulk of its revenue base; (iii) high level of government support which provided a rating uplift; and (iv) good access to bank facilities.

2. KEY MILESTONES

Incorporated in Singapore on 15 December 1972, SATS was previously a wholly-owned Subsidiary of Singapore Airlines ("**SIA**") established to manage SIA's ground handling and airline catering requirements in Singapore. SATS was listed on the SGX-ST on 12 May 2000 with SIA as its major shareholder. Through an *in-specie* distribution by SIA of its entire shareholding in SATS to its shareholders in 2009, Temasek Holdings (Private) Limited ("**Temasek**") became a major shareholder of SATS. As at 23 May 2023, Temasek has a 39.68% deemed interest in SATS (via its indirect wholly-owned Subsidiary, Venezio Investments Pte. Ltd.).

The following paragraphs set out the key historical milestones of the Group.

Prior to the incorporation of SATS, as described above, ground handling services and inflight catering started with Singapore's first commercial aviation operations at Kallang Airport in June 1947, where the first inflight kitchen was established with a production volume of 200 meals a day. Operations were subsequently relocated to Paya Lebar Airport in August 1955.

At the point in time of incorporation of SATS in December 1972, its inflight catering and ground services were still provided at Paya Lebar Airport. SATS subsequently opened its first airfreight terminal at Paya Lebar Airport in August 1977, with a handling capacity of 160,000 tonnes a year.

In July 1981, SATS relocated its operations to the newly established Changi Airport. A new inflight catering centre and two new airfreight terminals were built to meet the thriving demand then.

In March 1985, SATS Airport Services Pte. Ltd. ("SAS") was formed for the purpose of providing a single point of contact for all ground handling services provided by SATS.

In April 1988, SATS entered into its first overseas joint venture to form Maldives Inflight Catering private limited, where SATS utilised its expertise to assist in designing and building inflight kitchens for Male International Airport.

In February 1993, SATS entered into a joint venture to form Beijing Airport Inflight Kitchen Ltd, and subsequently, in March 1995, SATS entered into a joint venture to form Beijing Aviation Ground Services Co., Ltd.

In February 1997, SATS entered into a joint venture to acquire a stake in Evergreen Sky Catering Corporation, and in August 1998, SATS entered into a joint venture to form MacroAsia Catering Services, Inc.. These were part of SATS' efforts (in support of its parent company, SIA, at the time) to expand its geographical reach and growth, particularly in the Asia Pacific markets.

In August 1997, SATS Asia-Pacific Star Pte. Ltd. ("**APS**") was incorporated to serve as the Group's low-cost carrier handling unit.

In May 2000, SATS was listed on the mainboard of Singapore Exchange Securities Trading Ltd.

In September 2001, SATS entered into a joint venture with Indian Hotels Company Limited to form Taj SATS Air Catering Limited ("**TAJSATS**") to provide airline catering services in India.

In April 2004, in line with SATS' strategy to expand beyond its Singapore operations to become the leading ground handler in the region, the company entered into a joint venture to acquire a 49.8% stake in PT Jasa Angkasa Semesta TBK, and entered the Indonesian ground and cargo handling market.

In October 2007, SATS was the first ground handling company in the world to handle the (then) new Airbus A380 superjumbo on its inaugural flight from Singapore to Sydney.

In July 2008, SATS acquired Country Foods Pte. Ltd (subsequently renamed to SATS Institutional Catering Pte. Ltd.).

In October 2008, SATS acquired Menzies Aviation (Hong Kong) Ltd, which was subsequently renamed SATS HK Limited ("**SATS HK**").

In April 2009, SATS completed the acquisition of Singapore Food Industries, which has since been renamed as SATS Food Services Pte. Ltd. ("**SFS**") in February 2017.

In September 2009, SIA divested its 81% stake in SATS, allowing SIA's shareholders to have direct ownership of SATS. Through an *in-specie* distribution by SIA of its entire shareholding in SATS to its shareholders in 2009, Temasek became a major shareholder of SATS.

In April 2010, SATS entered into a joint venture with the National Aviation Company of India Limited to form Air India SATS Airport Services Private Limited ("**AISATS**") primarily for the provision of ground handling and cargo handling services in Bangalore and Hyderabad, India.

In November 2010, SATS launched Coolport@Changi which became Asia's first on-airport perishables handling facility, dedicated to end-to-end cold-chain handling of temperature-sensitive perishables and pharmaceutical airfreight for import, export and transshipment.

In December 2010, SATS acquired a majority stake in TFK Corporation. This acquisition marked SATS' foray into the Japanese airline catering market, enabling SATS to strengthen its relationships with customers and its capability to serve them at airports in Narita and Haneda.

In June 2011, SATS launched its new brand identity to mark the start of the Group's journey to build a unified and consistent representation across its Food Solutions and Gateway Services businesses. The new logo was unveiled on 7 June 2011 by the then Minister for Trade and Industry, Mr Lim Hng Kiang.

In December 2011, the Group won the bid to manage and operate the new MBCCS with Creuers del Port de Barcelona, Europe's leading cruise terminal operator. The partners formed a 60-40 joint venture company, SATS-Creuers Cruise Services Pte. Ltd. ("**SCCS**"), with SATS, through SAS, holding the majority stake. In May 2012, the SCCS commenced operations at MBCCS.

In March 2013, the Group jointly won the bid to provide catering and hospitality services at Singapore Sports Hub with Delaware North Companies, Inc., one of the largest privately held hospitality companies in the world. The partners formed a 70-30 joint venture company, SATS Delaware North Pte. Ltd., with SATS holding the majority stake. The partnership brought together two organisations with a combined 160 years of experience in delivering large-scale catering and hospitality solutions.

In February 2014, SATS, through two wholly-owned Subsidiaries, acquired a 41.65% interest in PT CAS, a company incorporated in Indonesia and listed on the Indonesia Stock Exchange since 5 December 2011. PT CAS is a leading food solutions and gateway services provider in Indonesia, with Subsidiaries providing airfreight handling, ramp handling, passenger services, aircraft line maintenance, aviation catering services, institutional catering services and facility management services.

In March 2014, SATS Coolport was certified by the International Air Transport Association ("**IATA**") as the world's first Centre of Excellence in Pharmaceutical Handling.

In March 2016, SATS entered into a joint venture agreement with Oman Air, the national carrier of the Sultanate of Oman. Pursuant to the joint venture agreement, SATS acquired a 33% interest in Oman Air Cargo LLC, which was subsequently renamed Oman SATS LLC, and, renamed again to Transom SATS Cargo.

In August 2016, SATS became the first international cargo handler to win a tender to build and operate a cargo terminal in Dammam, Saudi Arabia. The cargo handling concession is valid for 22.5 years from 2016 and the cargo terminal is capable of handling 150,000 tonnes of cargo annually. The win marked the establishment of SATS' presence in a key region in the Middle East.

In September 2016, SATS, through its wholly-owned Subsidiary SATS Food Service Pte. Ltd., entered into a joint venture with Yihai Kerry Investments Co., Ltd to form SATS Yihai Kerry Kunshan Food Co., Ltd. Subsequently, in November 2018 (with completion occurring in April 2019), another wholly-owned Subsidiary of SATS, SATS China Co., Ltd., fully acquired SATS Yihai Kerry Kunshan Food Co., Ltd, and renamed it to SATS (Kunshan) Food Co., Ltd. The rationale for this acquisition was for SATS to scale its operations in China to better serve the needs of its customers in fast casual restaurants and the aviation sector.

In March 2017, the Group divested 51% of its share in SATS HK to Voltaire Capital Investment Limited, a Subsidiary of Hong Kong Airlines Limited. The Group's divestment brought significant new volumes and operating scale to its Hong Kong hub, with Hong Kong Airlines Limited's large base load contributing to improved utilisation of existing facilities and providing better operating leverage.

In December 2017, the Group deepened its footprint in India by forming a joint venture with Cargo Service Center India Private Limited to manage an international cargo terminal in Mumbai that commenced operations in April 2018.

In January 2018, SATS and AirAsia Berhad concluded a ground handling partnership in Malaysia and Singapore. This new partnership gave SATS access to the Malaysian ground handling market.

In February 2018, the Group completed the building of kitchen extension, C2+ at SATS Inflight Catering Centre 2. Equipped with automated sauce and ingredient dispensers as well as robotic wok paddles, the highly automated kitchen operations at C2+ added 10% more capacity to SATS' meal production in Singapore.

In November 2018, SATS entered into an agreement to build and operate a central kitchen in Tianjin's Hexiwu Town Food Zone in China. The SATS Tianjin central kitchen was launched in April 2023.

In January 2019, SATS entered into (a) a joint venture with Capital Airports Holding Company Limited ("**CAH**") to provide ground and cargo handling services, and (b) a joint venture with CAH and Juneyao Airlines Co., Ltd. to provide inflight catering and other related services at Beijing Daxing International Airport.

In April 2019, SIA and SATS reviewed a suite of aviation services contracts for a further five-year period. Following 1 April 2019, contracts with SIA and SilkAir had a five-year tenure with an option to extend for a further five years, encompassing in-flight catering and cabin handling, passenger and ramp handling, cargo handling, aircraft interior cleaning, aviation security and laundry services, and included the provision of aviation security services for Scoot.

In July 2019 and October 2019, SATS China cumulatively acquired and subscribed for an aggregate of 50% of the issued shares in the capital of Nanjing Weizhou Airline Food Corp., Ltd ("**NWA**"), a 50% owned joint venture company of SATS. NWA is a major producer of frozen food, ambient meals, and related food components to aviation companies in China.

In August 2019, SATS Investments Pte. Ltd. ("SIPL"), a wholly-owned Subsidiary of SATS, disposed 51% of the issued shares in the capital of Food and Allied Support Services Corporation Pte. Ltd. to Planet Foods Pte. Ltd.

In September 2019, SATS Food Services ("**SFS**"), a wholly-owned Subsidiary of SATS, acquired the remaining 49% equity interest in SATS BRF Food Pte. Ltd. ("**SATS BRF**"). Accordingly, SATS BRF is now a wholly-owned Subsidiary of SFS, and an indirect wholly-owned Subsidiary of SATS. SATS BRF had also executed agreements with BRF Global GmbH on the distribution and licensing of brands owned by BRF S.A. After the completion of such acquisition, SATS BRF was renamed to "Country Foods Pte. Ltd.".

In October 2019, pursuant to a corporate restructuring exercise, SATS had sold its 30% shareholding of the total issued shares in the capital of Taj Madras Flight Kitchen Private Limited ("**TMFK**") to TAJSATS, following which SATS had ceased to have any direct interests in TMFK. However, as SATS continued to own 49% of the total issued shares in the capital of TAJSATS, SATS' effective interests in TMFK had increased from 30% to 49%.

In January 2020, SATS' Subsidiary, SATS Saudi Arabia Company, won a 25-year cargo terminal concession in King Khalid International Airport in Riyadh, Saudi Arabia. The Riyadh cargo terminal was the Group's second cargo operation in Saudi Arabia, after its first win in King Fahd International Airport in Dammam in 2016. The SATS Cargo Terminal at King Khalid International Airport in Riyadh is designed to handle 300,000 tonnes of cargo annually.

In February 2020, SATS, through SIPL, acquired Monty's Bakehouse UK Limited ("**MBUK**"), an aviation food innovator and provider of hand-held meals and snacks to the global airline industry with plans to enhance its food solutions for aviation customers and support growth into new customer segments.

In March 2020, SATS issued S$200,000,000 in aggregate principal amount of 2.88 per cent. notes due 2025, issued pursuant to the S$500,000,000 multicurrency medium term note programme (the "**SGD MTN Programme**").

In April 2020, SATS issued S$100,000,000 in aggregate principal amount of 2.60 per cent. notes due 2025, issued pursuant to the SGD MTN Programme. In December 2020, SATS updated and upsized the SGD MTN Programme to increase the maximum aggregate principal amount of all notes which may be outstanding from time to time under the SGD MTN Programme from S$500,000,000 to S$2,000,000,000.

In March 2021, SIPL incorporated a wholly-owned Subsidiary known as SATS (Thailand) Co., Ltd. ("**SATS Thailand**") to build its food production capabilities to include the ability to produce frozen meals and ready-to-cook food ingredients. SATS started strengthening its food production efficiency through a three-tiered kitchen strategy of food factories, central kitchens and catering centres. Subsequently, in June 2021, SATS further expanded operations in Thailand by acquiring Thai frozen food producer, Food City Company Limited ("**Food City**"), for an aggregate purchase consideration of approximately S$21 million. Food City was subsequently renamed to SATS Food Solutions (Thailand) Co., Ltd.

In June 2021, SIPL and SATS (India) Co. Private Limited, both wholly-owned Subsidiaries of SATS, incorporated a wholly-owned Subsidiary known as SATS Food Solutions India Private Limited, through which, in July 2021, SATS made its first major investment of S$37 million in India to establish a central kitchen in India, where SATS signed a deal for a 27,000 sqm plot with Bengaluru Airport City Limited. The central kitchen will be located at Kempegowda International Airport, Bengaluru. The central kitchen would produce ready-to-eat meals and components to Indian consumers and take authentic Indian cuisine overseas.

In November 2021, SATS rolled out a series of ventures to accelerate growth in its non-travel food business in partnership with Singapore Economic Development Board ("**EDB**") and local food and beverage ("**F&B**") brands to serve its growing network and customer base. SATS has committed over S$3 million with support from EDB to create and pivot new business ventures with strong global potential and ability to scale. Through corporate venturing, SATS launched ready-to-cook Farmpride Signatures products that feature collaborations with SMEs like Keng Eng Kee Seafood and brought F&B brands such as Boon Tong Kee's signature dishes to the skies for SIA's Singapore Showcase menu, which launched in September 2021.

In November 2021, FoodFlix, a brand accelerator programme under the Group's venture arm has sparked collaboration with local hawkers, F&B brands and start-ups in Singapore to help them internationalise while expanding SATS' portfolio of branded food solutions and non-travel food business. SATS has helped homegrown brands such as Song Fa Bak Kut Teh, Kok Kee Wonton Noodle, Qiu Lian Ban Mian, Beach Road Prawn Noodle House, Song Heng Pork Noodles, Chew Kee Soy Sauce Chicken, Keng Eng Kee (KEK) Seafood and Boon Tong Kee, to bring their signature dishes to the skies by adapting and producing them at scale for Singapore Airlines' Singapore Showcase. SATS is also working with brands such as Chew Kee Soy Sauce Chicken, Killiney Group, Soon Heng Pork Noodles, Keng Eng Kee Seafood, Ponggol Nasi Lemak, White Restaurant and Yew Kee Group to extend their reach into retail and institutional catering channels.

In December 2021, SATS launched a new food and beverage concept, Twyst, which was intended to provide customers with a myriad of affordable freshly cooked options ranging from chef's signatures and healthier choice pastas, to personalising their pastas to suit their lifestyle and diet. Real Tasty Pte. Ltd. is a joint venture company with SIPL as the majority shareholder.

In January 2022, SATS obtained ISO 37001 certification, the international standard for anti-bribery management systems. Obtaining this certification fortifies the Group's commitment to conducting business ethically and with the highest level of integrity.

In February 2022, SATS became a signatory of the United Nations Global Compact demonstrating the Group's commitment to human rights, labour, environment and anti-corruption.

In March 2022, SATS acquired an additional 16.4% stake in Asia Airfreight Terminal Company Limited ("**AAT**"), following which AAT became a Subsidiary of SATS, with SATS owning 65.4% of AAT's issued share capital. AAT is a cargo terminal operator operating in Hong Kong International Airport since 1998, with SATS acquiring an early stake in the company at or around that time.

In April 2022, SATS commenced a lease agreement with JTC to build an innovative food hub in Singapore's Jurong Innovation District. The move aligns with SATS' strategy to strengthen its Singapore core while growing international and non-travel businesses. The project will bring together all of SATS' expertise in food production – culinary, food technology, supply chain, innovation, sustainability, digitalisation, food safety and nutrition to transform current food production processes. SATS will deploy automation and robotics to achieve operational efficiency and hone vital new skills for the future.

In July 2022, as part of the FoodFlix programme, SATS announced plans to launch two signature hawker products under The Travelling Spoon label, which is a SATS brand that focuses on introducing convenient format Asian meals. This was a collaboration, in particular, with hawker brands such as Qiu Lian Ban Mee and Chew Kee Soy Sauce Chicken where their signature items were recreated into new dishes and introduced in ready-to-eat format that were planned to be exclusively available for a limited time (which has since concluded) at 7-Eleven stores across Singapore.

In September 2022, SATS incorporated a wholly-owned Subsidiary in Singapore known as SATS Investments (III) Pte. Ltd. ("**SIPL III**"). Subsequently, SIPL III incorporated SATS International, a wholly-owned Subsidiary in France on 23 September 2022.

Subsequently, on 28 September 2022, SATS and SATS International entered into a sale and purchase agreement with Promontoria 52 Coöperatie U.A. and certain management sellers to acquire all of the issued shares of the Target for the WFS Acquisition. The Target is a holding company which indirectly owns 100% of the shares in WFS. For further details on the WFS Acquisition, please refer to the section titled "*Acquisition of Worldwide Flight Services*".

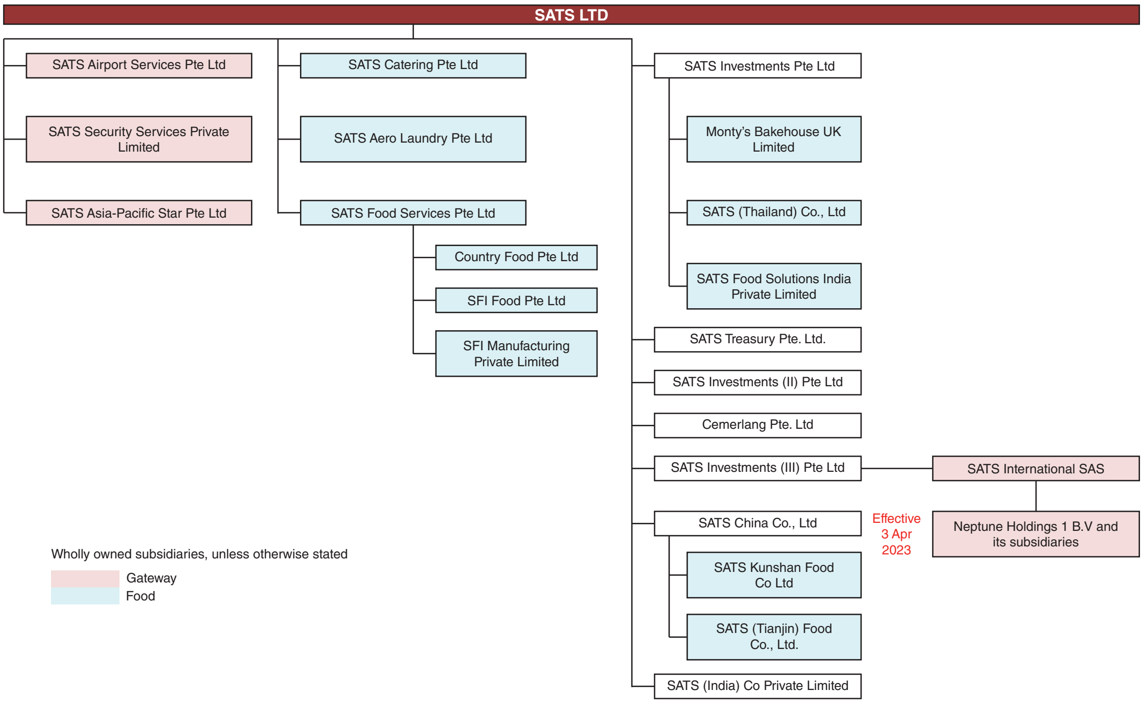
On 10 January 2023, SATS undertook a consent solicitation exercise in connection with the S$200,000,000 2.88 per cent. notes due 2025 and the S$100,000,000 2.60 per cent. notes due 2025 issued pursuant to its S$2,000,000,000 multicurrency medium term note programme (the "Updated SGD MTN Programme"), where SATS sought and obtained, *inter alia*: (1) noteholders' approval to amend certain financial covenants applicable to the aforementioned notes; and (2) noteholders' approvals and waivers of any non-compliance or potential non-compliance with certain covenants under the Updated SGD MTN Programme in connection with the WFS Acquisition. Details of the consent solicitation exercise may be found in SATS' announcements dated 10 January 2023 and details of the passing of the relevant noteholders' extraordinary resolutions were announced on 17 January 2023.

On 13 February 2023, SATS announced that AISATS has been selected by Yamuna International Airport Private Limited ("**YIAPL**") to design, build, finance and operate an integrated Multi-Modal Cargo Hub ("**MMCH**") at the upcoming Noida International Airport in Jewar, Uttar Pradesh. AISATS entered into the relevant concession agreements with YIAPL on 30 May 2023, and the Noida International Airport and MMCH are expected to commence operations by the end of 2024. The five-tier MMCH is the first of its kind in India, and it will include integrated facilities with airside access for general cargo, eCommerce, temperature-controlled goods for perishables and pharmaceuticals, and express courier shipments, as well as trucking facilities to support road-to-road, road-to-air, and air-to-road movements.

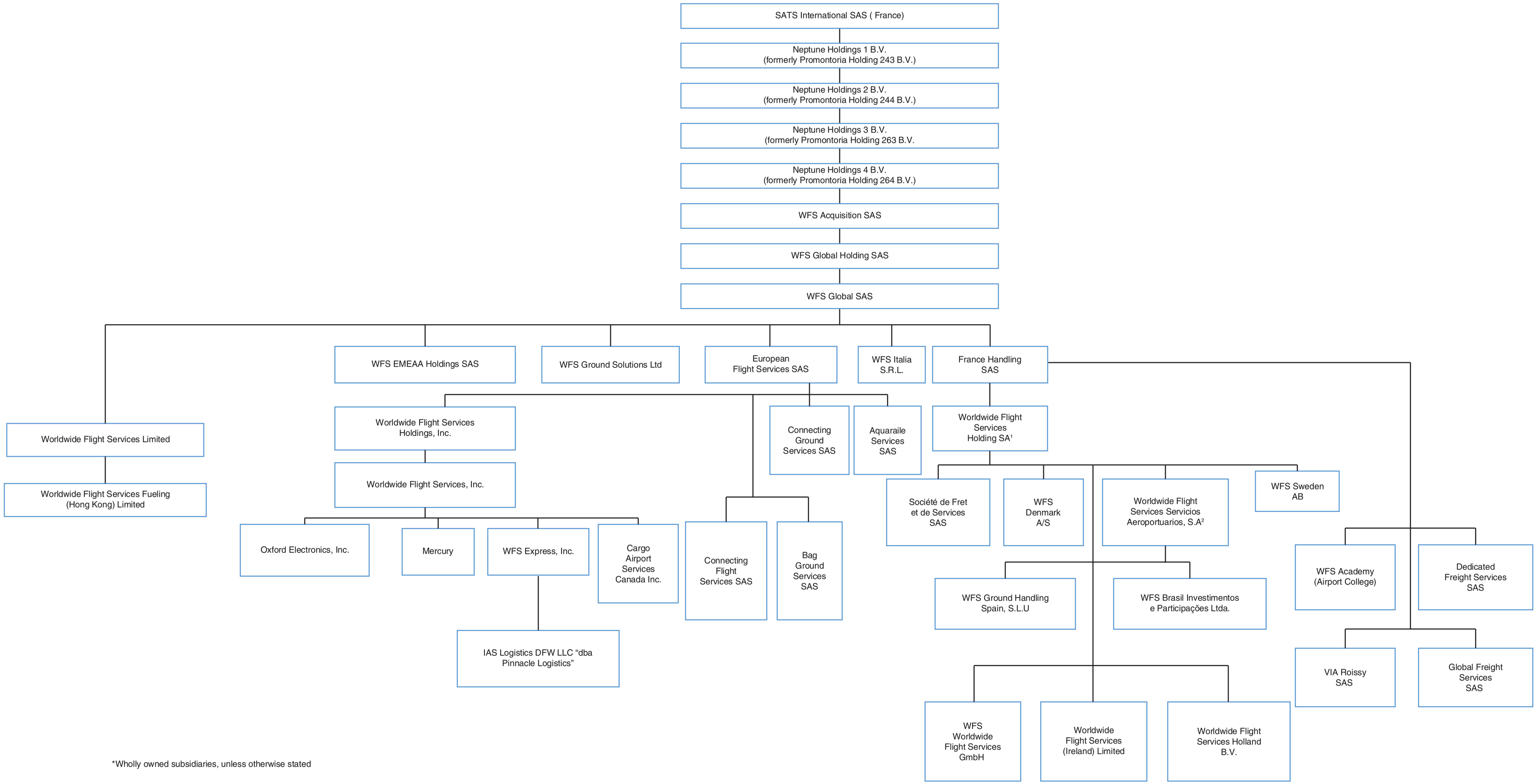
On 3 April 2023, SATS completed its acquisition of global air cargo logistics provider Worldwide Flight Services for €1,313 million (equivalent to approximately S$1,820 million) from an affiliate of Cerberus Capital Management, representing an enterprise value of €2,250 million (equivalent to approximately S$3,107 million). Upon completion of the acquisition, WFS became a fully owned Subsidiary of SATS. For further details on the WFS Acquisition, please refer to the section titled "*Acquisition of Worldwide Flight Services*".

3. CORPORATE STRUCTURE

As at the Latest Practicable Date, the Group's key operating entities are as follows:



As at the Latest Practicable Date, the WFS Group is held under SATS International (an indirect wholly-owned subsidiary of SATS), and their key operating entities are as follows:



*Wholly owned subsidiaries, unless otherwise stated

4. ACQUISITION OF WORLDWIDE FLIGHT SERVICES

On 28 September 2022, SATS and SATS International, its indirect wholly owned Subsidiary, entered into a Sale and Purchase Agreement with Promontoria 52 Coöperatie U.A. and certain management sellers to acquire all of the issued shares of the Target. The Target is a holding company which indirectly owns 100% of the shares in WFS. Save for the shares in WFS held indirectly by the Target, the Target does not hold any other assets or businesses of substance. The acquisition was approved and passed by SATS' shareholders at the extraordinary general meeting held on 18 January 2023 with 96.80% of the total number of votes in favour of the resolution to approve the transaction.

WFS is a global aviation services company principally focused on cargo handling. In addition to its broader cargo handling capabilities, WFS also provides ground handling services, such as passenger and apron services (including ramp handling, baggage handling, passenger handling including check-in and onboarding, and aircraft interior cleaning). As of 31 December 2022 (which was prior to the completion of the WFS Acquisition), the WFS Group was active at 158 airport stations in 18 countries on five continents. The WFS Group serves a diversified blue-chip customer base which includes approximately 300 customers globally spread across over 1,500 contracts. The WFS Group operates at some of the busiest airports in the world, and it is one of the leading cargo handlers active at most of the major European and U.S. airports.

As a highly strategic and complementary asset, the acquisition of Worldwide Flight Services expands the Group's global network and secure growth for the future in the face of increasing competition. When fully integrated with the existing Group's business, the Group expects significant potential synergies, enabling the Group to better serve air cargo customers in strategic hubs in Asia, Europe and the US, as well as in complementary new growth markets including Latin America and Africa. As at the completion of the WFS Acquisition, the combined network of SATS and the WFS Group covers trade routes responsible for more than 50% of global air cargo volume. As at completion of the WFS Acquisition, the WFS Group operates in five of the top 10 cargo airports in North America and EMEA, including Los Angeles, Chicago, Miami, Frankfurt and Paris, and the existing Group was already present in four of the top 10 cargo airports in Asia, including Hong Kong, Taipei, Singapore and Beijing. With the acquisition, the Group seeks to position itself at the centre of global trade flows for air cargo. The Group expects the diversification provided by a wider geographical coverage and additional value-added cargo handling services to strengthen the Group's business and earnings resilience against structural industry dynamics and competitive forces.

The total acquisition cost of the WFS Acquisition was approximately €1,313 million (approximately equivalent to S$1,820 million). This was funded by a 3-year term loan of €500 million from SATS' principal bankers, the net proceeds of a rights issue of shares pursuant to an offer information statement lodged with the Monetary Authority of Singapore on 2 March 2023 of S$798.8 million, and the balance funded by internal cash. This finalised funding plan provided a balanced mix of sources, and presented investors with an optimal value proposition for the acquisition of Worldwide Flight Services. The completion of the WFS Acquisition was announced on 3 April 2023, and the WFS Group is currently held under SATS International, which is itself an indirect, wholly-owned Subsidiary of SATS.

Since the completion of the WFS Acquisition, the integration of SATS and WFS has been underway. Commercial and operational value creation efforts have started to drive synergies for the group and deliver added value to customers through a cohesively integrated global network. Integration efforts centred around enhancing productivity through operational excellence and effective cost management will position the Group to scale competitively to benefit from the long-term growth trajectory in air cargo. Leveraging the capabilities and expanded network, SATS has implemented its COSYS+ system (SATS' proprietary cloud-based cargo terminal handling and management system) in the newly launched WFS Cargo Terminal Operation ("**CTO**") in Bengaluru which drove S$800k cost savings. Additionally, the Group has secured new contract wins in excess of S$15 million of additional annual revenue across the globe. The Group is also collaborating with a prominent global freight forwarder to create innovative cross-border services aimed at enhancing speed, streamlining processes, and harnessing the potential of multimodal logistics with the intention to scale and adapt these services for other participants in the logistics industry.

In June 2023, SATS also completed the 100% redemption of the senior secured notes of c. EUR 1.04 billion issued by WFS through a liability management and debt restructuring exercise. This has resulted in net interest savings in excess of S$40 million annually for the Group.

5. PRINCIPAL BUSINESS ACTIVITIES

The Group's core businesses are broadly categorised into (i) Gateway Services; and (ii) Food Solutions. For FY2023 (pre-WFS Acquisition), Gateway Services and Food Solutions contributed 51% and 49% to the Group's revenue, respectively. Following the WFS Acquisition, for 6MFY2024, Gateway Services and Food Solutions contributed 79% and 21% of the Group's revenue, respectively.

Revenue – by Business, Industry and Geographical Location

As at the Latest Practicable Date, the Group provides Gateway Services and Food Solutions to customers in over 210 locations and 27 countries across the Asia Pacific, United Kingdom, Europe, the Middle East, Africa and the Americas:

SATS Geographical Locations

* as of October 2023

OVER
210
Locations

IN
27
Countries

LEGEND
- FOOD SOLUTIONS
- GROUND HANDLING
- CARGO HANDLING
- GROUND HANDLING + CARGO HANDLING

1. Australia
- Brisbane
- Rockhampton

2. Belgium
- Brussels
- Liege

3. Brazil
- Belem
- Boa Vista
- Brasilia
- Cascavel
- Confins
- Congonhas
- Cuiaba
- Curitiba
- Fortaleza
- Juiz de Fora
- Manaus
- Natal
- Porto Alegre
- Recife
- Rio de Janeiro (GIG)
- Rio de Janeiro (SDU)
- Salvador
- Sao Paulo (PPB)
- Sao Paulo (VCP)
- Sao Paulo (GRU)
- Tabatinga
- Tefe

4. Canada
- Dorval
- Mirabel
- Toronto

5. Denmark
- Copenhagen

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

7. Germany
- Frankfurt

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

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

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

11. Ireland
- Belfast
- Cork
- Dublin
- Shannon

12. Italy
- Rome
- Milan
- Venice

13. Japan
- Tokyo

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

15. Maldives
- Male

16. Netherlands
- Amsterdam

17. Oman
- Muscat

18. Philippines
- Manila

19. Saudi Arabia
- Dammam
- Jeddah
- Riyadh

20. Singapore
- Singapore

21. South Africa
- Cape Town
- Johannesburg

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

23. Sweden
- Stockholm

24. Thailand
- Bangkok

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

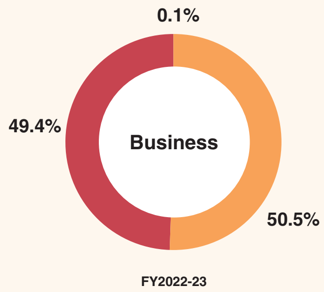
26. United States
- Albany
- Allentown
- Atlanta
- Austin
- Baltimore/ Washington
- Billings
- Boston
- Bozeman
- Cedar Rapids
- Charleston
- Chicago (ORD)
- Chicago (MDW)
- Cleveland
- Columbus
- Dallas/Fort Worth
- Denver
- Des Moines
- Detroit
- Dulles
- East Granbury
- El Paso
- Eugene
- Fargo
-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

27. Vietnam
- Ho Chi Minh City

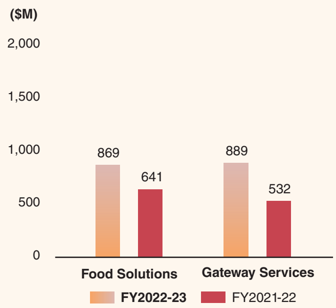
Group's FY23 Revenue[3]

The breakdown in revenue contribution by each of the Group's principal business segments and geographical location expressed as a percentage of total revenue of the Group for FY 2023 is set out in the diagram below:

Business Segment Contribution Breakdown (FY2023)



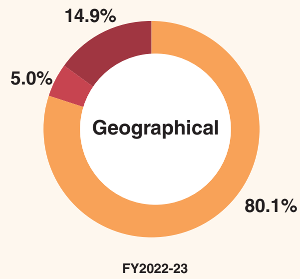
Food Solutions	49.4%
Gateway Services	50.5%
Others	0.1%



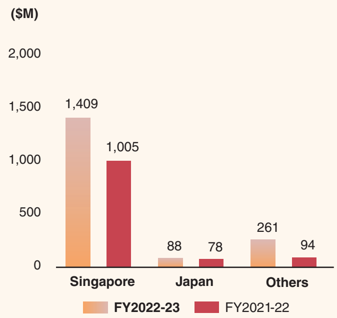
Notes:

- Food Solutions: revenue from inflight and institutional catering, chilled, frozen and retort food manufacturing, food trading and distribution, hospitality services and airline linen and laundry services.
- Gateway Services: revenue from airport and cruise terminal services, including ground and cargo handling, passenger and security services, baggage handling, apron services and cargo logistics services.
- Others: revenue mainly from the corporate services.

Geographical Location Contribution Breakdown (FY2023)



Singapore	80.1%
Japan	5.0%
Others	14.9%



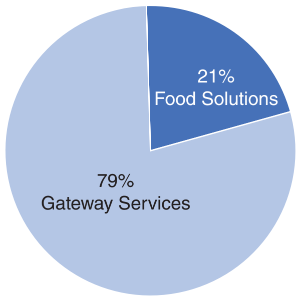
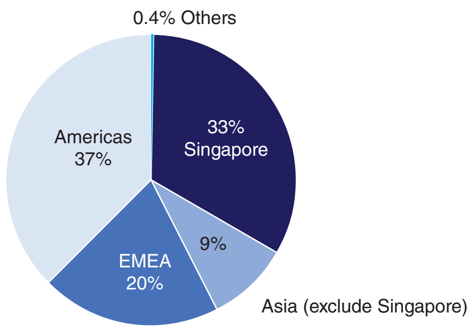
Notes:

- Singapore: revenue from Food Solutions and Gateway Services businesses in Singapore.
- Japan: revenue from TFK.
- Others: revenue from SATS Food Services Group (Australia), GTR entities, SATS China Group, MBUK, SATS Saudi and SATS Food Solutions (Thailand).

3 Pre-WFS Acquisition

Group's 6MFY2024 Revenue[4]

The breakdown in revenue contribution by each of the Group's principal business segments and geographical location expressed as a percentage of total revenue of the Group for 6MFY2024 is set out in the diagrams below:

Business Segment Contribution Breakdown (6MFY2024)	Geographical Location Contribution Breakdown (6MFY2024)
	

A. Gateway Services

Since the opening of Singapore Changi Airport in 1981, the Group's Gateway Services has played a pivotal role in establishing Singapore as a leading aviation hub. Following the WFS Acquisition, the Group via the WFS Group is in strategic hubs connecting key trade lanes across North America and Europe to complement its existing foothold in Asia Pacific. This positions the Group as the leading air cargo handler globally.

The Group's Gateway Services business encompasses:

(i) Airfreight Handling Services;

(ii) Ground Handling Services;

(iii) Security Services;

(iv) Cruise Terminal Services.

The airfreight handling services, in particular, include general cargo, perishable cargo, dangerous goods, mail and eCommerce shipments as well as transshipment services in hub stations. The Group also offers an EU-wide trucking and offline handling network. The ground handling services, in particular, include passenger and apron services (including ramp handling, baggage handling, passenger handling including check-in and onboarding, and aircraft interior cleaning). The security services comprise primarily aviation security services to the Group's airline customers in Singapore and Brazil and non-aviation related security services to agencies across Singapore. On the provision of cruise terminal services, the Group manages and operates the MBCCS and the KTCT.

4 Post-WFS Acquisition

As part of the Group's airfreight/cargo handling business, it also supports an integrated end-to-end business solution including multimodal, air-ocean-air connections, offering ready infrastructure, warehousing and hub support across its Gateway business functions. Other services include consolidation and deconsolidation, quality control checks, express logistics for ship and aircraft spare parts as well as management of specialised event logistics (e.g. handling of Formula 1 shipments).

In addition to the business and service offerings above, the Group also has a low-cost carrier handling unit, APS, that offers service propositions to meet the differentiated needs of low-cost carriers by offering an alternative platform with a lower cost structure, without compromising on quality. APS also provides buy-on-board F&B services to its customers.

In Singapore, as at 24 February 2023, the Group serves 93 out of 121 passenger and freighter airlines operating at Singapore Changi Airport. The Group has also established networks in other parts of Asia principally through joint ventures in Greater China, India, Indonesia, Oman, Vietnam, and Malaysia.

Globally, following the WFS Acquisition, the Group can better serve its customers in its Gateway Services business in strategic hubs in Asia, Europe and the US, as well as in complementary new growth markets including Latin America and Africa.

As at the completion of the WFS Acquisition, the combined network covers trade routes responsible for more than 50% of global air cargo volume. WFS Group itself operates in five of the top 10 cargo airports in North America and EMEA, including Los Angeles, New York, Chicago, Miami, Frankfurt, London and Paris, whereas the existing Group was already present in four of the top 10 cargo airports in Asia, including Hong Kong, Taipei, Singapore and Beijing.

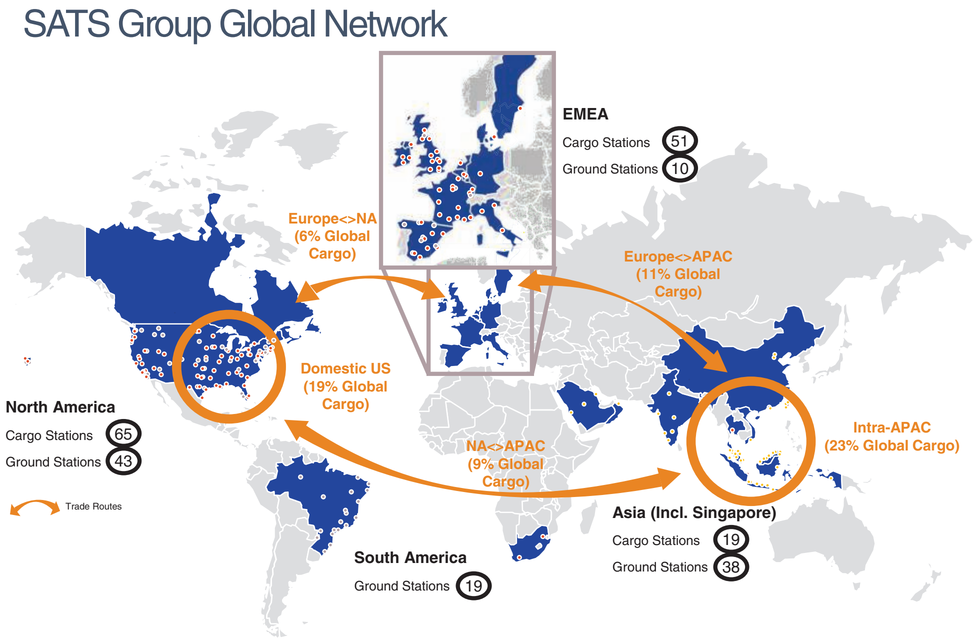
The combined Group is expected to enhance revenue growth through value-added services and position SATS as an enabler of multi-modal cargo connectivity because of:

(a) the WFS Group's investments in airside locations, which is expected to enable the Group to provide value-added services such as breakbulk, sortation and distribution, all of which are expected to enhance turnaround time for customers (especially for eCommerce);

(b) end-to-end visibility for customers, which is expected to enable the Group to develop value-added services and new revenue streams; and

(c) opportunities to work with partners to facilitate multi-modal connectivity across air, sea and land.

The chart below illustrates the combined Group's coverage of trade networks around the globe after the WFS Acquisition:



Airfreight handling services

The Group is the leading global air cargo handler. It provides cargo handling services in multiple locations spanning the Americas, Europe, Asia, the Middle East and Africa for importing and exporting general cargo, perishable cargo, dangerous goods, mail and eCommerce shipments, and transshipment services in hub stations. The Group also offers an EU-wide trucking and offline handling network. It has over 800,000 square metres of cargo warehouse space globally, located at or adjacent to major airport hubs, allowing its customers to optimise the cargo capacity of flights quickly and effectively.

The Group works closely with customers and partners in the airport ecosystem to enhance safety and improve operational efficiency. Key initiatives of the Group include:

1. The implementation of the IATA Dangerous Goods AutoCheck system to facilitate digital verification for compliance with regulations.

2. The rollout of 5S new standards that go beyond IATA safety standards covering acceptance, storage, build-up, training, DG by Road (ADR) and emergency response in the Group's stations in the EMEAA region in April 2022.

3. Digitalising cargo handling, such as using Cargospot Mobile to reduce the risk of errors in handling dangerous goods from build-up to manifest and digitising dangerous goods-related audits and inspections on WFS' PULSE platform.

4. A cargo and security control centre at Changi Airport in Singapore that houses SATS' aviation security and cargo operations commands in one location to track mission-critical tasks in real-time for faster response rates and service fulfilment. WFS has invested in 2 Security Operation Centres (SOC) that provide centralised 24/7 monitoring for the EMEAA and North America cargo handling operations. The first WFS's Security Operations Centre was opened in New York JFK in 2017 to ensure compliance with aviation security protocols at all its stations in the U.S. and Canada. In 2021, WFS also invested in a SOC for the Europe, Middle East,

Asia and Africa (EMEAA) region, the security focal point for over 40 of WFS's cargo handling sites in 12 EMEAA countries, with a dedicated team of security personnel monitoring over 1,900 CCTV cameras and 60 digital video recorders. The SOCs have high security, and regular audits are conducted to ensure compliance with EU General Data Protection Regulation (GDPR) and other applicable privacy laws and regulations.

5. WFS has also invested in Enablon's award-winning cloud-based software suite to manage all incidents, audit and risk assessments. This allows the WFS SOC team, as well as local and regional teams, to quickly and easily record incidents, audits, inspections and action plans, giving management team real-time oversight across the whole WFS network.

6. Industry accreditation from the Centre of Excellence for Independent Validators Lithium Batteries (the "**CEIV Li-batt**") certification programme, established by IATA. On 29 September at the World Cargo Symposium 2022, SATS announced that it has, together with its Hong Kong Subsidiary, AAT, and its Indonesian joint venture PT Jasa Angkasa Semesta Tbk ("**PT JAS**"), achieved a world's first CEIV Li-batt certification for ground handlers. This means the three parties now comply with the applicable transport regulations concerning the supply chain of lithium battery products.

7. The Group also provides a dedicated trucking service in France, the UK and selected North America markets through its Subsidiary, WFS. A trucking control tower coordinates communication and provides real-time status information, enabling greater traceability for its customers. Such capability allows the Group to offer direct aircraft to the destination service to handle high-value-high-risk cargo safely.

8. Global freight forwarders are expanding their services to offer more end-to-end logistics services, and the Group is working closely with many of them on a variety of initiatives aimed at streamlining or adding value to their supply chain operations at the Group's cargo terminals. SATS' global presence and capabilities mean it can create more and new service offerings for freight forwarders and other logistics companies to increase operational efficiency and productivity.

9. The Group recently started a strategic collaboration with Kuehne+Nagel to drive value chain improvements and sustainability efforts within the air logistics industry. Several proofs of concept have been successfully conducted so far, aimed at optimising ground handling for e-commerce shipments, air charter hub and spoke operations, and improving shipment visibility and cargo processing speeds for time-critical shipments.

Perishables cargo handling centre

The Group has dedicated cold chain facilities for handling perishables and temperature-sensitive pharmaceutical products. All of its cold chain facilities are designed in accordance with internationally recognised standards. SATS Coolport in Singapore (as described in greater detail below) is built in accordance with Hazard Analysis and Critical Control Points ("**HACCP**") guidelines for food safety and in compliance with the highest international standards of cold chain integrity. SATS-WFS provides safe and secure handling of pharmaceutical shipments and medical devices, in particular through its network of dedicated pharma facilities which are built in compliance with IATA CEIV and/or Good Distribution Practice (GDP) standards. These facilities offer direct airside access to process temperature-sensitive cargo within a secured cold chain from the facility to the aircraft and vice versa.

SATS Coolport is Asia's first on-airport perishables handling centre. The 8,000 square metres facility is strategically located in the Free Trade Zone within Singapore Changi Airport so that customers transshipping goods may do so with minimum document formalities. It has multi-tiered zones comprising 18 cold rooms maintained at four main temperatures ranging from -28°C to 0°C, 2°C to 8°C, 8°C to 15°C and 15°C to 25°C to handle a wide range of commodities such as ornamental fish, seafood, meats, fresh produce, vaccines, pharmaceuticals, fruit and flowers. A host of value-added propositions, including warehousing and regional redistribution services, multi-modal transportation, inventory management and control facilities are offered as components of a comprehensive cold chain logistics solution. Certified by IATA as the world's first Centre of Excellence for Independent Validators in Pharmaceutical Handling since November 2014, SATS Coolport complements Singapore's efforts to grow its capability as Asia's leading biomedical hub. It is also the first Halal-certified air cargo hub for perishables in the Asia-Pacific region. SATS Coolport is also the world's first ground handling facility authorised by the European Union to conduct meat transshipment services between New Zealand and the European Union.

In Hong Kong, AAT also developed AAT Coolport, Hong Kong's first on-airport cold chain centre that offers a complete temperate-controlled environment for handling perishables and pharmaceuticals.

Both SATS Coolport and AAT Coolport have achieved the IATA Centre for Excellence for Independent Validators in Pharmaceutical Logistics (CEIV Pharma) certification, the IATA Centre for Excellence for Perishable Logistics (CEIV Fresh) certification and the SGS Good Distribution Practice (GDP) Certification for Pharmaceutical Industry. SATS Coolport is also certified by the IATA as the world's first Centre of Excellence for Independent Validators in Pharmaceutical Handling in November 2014.

Furthermore, pursuant to the WFS acquisition, the Group has also expanded its global coverage and specialist offerings in the handling of perishables and pharmaceuticals. The WFS Group alone has invested significantly in developing its best-in-class facilities for pharmaceuticals and perishables handling. It currently offers 16 dedicated pharmaceuticals centres at strategic air hubs, enabling an integrated cargo solution and positioning the business for future pharmaceutical growth. The facilities focus on safe processing and transport of temperature-controlled pharmaceuticals and medical devices, and the teams are trained to maintain the highest care and expertise, including the IATA CEIV Training in some locations.

At Paris CDG airport, WFS CDG Pharma Centre is the only facility dedicated to handling temperature-sensitive pharma shipments (PIL) and medical devices managed by a ground handler. The 2,400 m^2 dedicated space is strategically located in the heart of CDG airport's cargo area, with landside and airside acceptance capabilities. WFS CDG Pharma Center has received IATA certification for Centre for Excellence for Independent Validators in Pharmaceutical Logistics (CEIV Pharma). CDG Pharma Centre uses new digital technological systems to improve operational efficiency and shipment visibility. The new warehouse management system (WMS) supports barcode scanning for real-time storage capacity monitoring and management. WFS CDG is a member of the CDG cargo community IATA CEIV Pharma programme.

In the US, WFS has a number of on-airport temperature-controlled facilities with Controlled Room Temperature (CRT) environment which maintains a constant temperature of +15°C to +25°C and +2°C to 8°C cool rooms, and offers active container charging stations for its pharma customers.

eCommerce shipments handling

Pursuing eCommerce opportunities, the Group has built strong partnerships with national postal services, airlines, key eCommerce movers, integrators and third-party logistics players across its cargo hubs.

The Group also maintains a one-stop web portal, SATS Cargo Portal, which provides convenient access to a comprehensive range of services, including SATS' B2C eCommerce platform, SATS eFulfilment Platform, and SATS eFacilitation Platform. These platforms provide local forwarders with a suite of solutions for, *inter alia*, multi-modal cargo handling and consolidation of import shipments for determination of priority collection.

Furthermore, pursuant to the WFS acquisition, the Group now also offers specialist handling services implemented for dedicated integrators, eCommerce and freight forwarding players in other parts of the globe including Amazon, DHL, UPS, Cainiao and DSV. In particular, the WFS Group has a strong eCommerce/express cargo handling service in the U.S. and Europe, capable of handling time-sensitive and high-volume customer requests.

Ground Handling Services

Passenger and terminal management services

The Group also offers a full range of passenger services products to its airline clients across its network.

These services include:

- the operation of check-in, transfer, boarding gate and airline service counters. Additionally, in Singapore, the Group also provides Fast and Seamless Travel ("**FAST**") check-in with Passenger Services FAST Ambassadors for an enhanced customer experience;

- the provision of staff assistance to arriving, departing, transferring and transiting passengers at each service touchpoint, where passengers are given the necessary information and details required to facilitate their arrival, departure, transfer or transit;

- the provision of personalised special assistance to passengers with special needs. The Group also provides a lounge environment for passengers with special needs and reduced mobility in Singapore at Changi Airport Terminals 1, 2 and 3;

- the provision of foreign language interpreters to assist non-English speaking passengers at Changi Airport;

- the provision of delay and disruption handling services where the team ensures hub transfer is executed well for passengers and baggage from late inbound flights and off-scheduled operations;

- the provision of early check-in services ("**ECI**") for the majority of its airline clients. For example, in Singapore, the Group's ECI facilities provided by the airport at the terminals and Jewel can serve passengers 18 hours prior to their flights;

- the operation of the SATS Premier Check-in Lounge ("**PCIL**") for first class and business class passengers travelling on SATS-handled airlines from Changi Airport. Passengers can proceed directly to immigration through private access upon checking-in. The Group is also the only PCIL service provider at Singapore Changi Airport;

- the operation of SATS Premium Lounges for premium passengers in Terminals 1, 2, 3 and 4 at Changi Airport. The Group also provides trained customer service staff for VIP lounges at other airports in its network;

- the provision of lounge services to third-party lounges like DBS Treasures Lounges in Terminals 2 and 3, and airline lounges in various terminals at Changi Airport;

- In Singapore, the Group also operates the SATS Integrated Operations Command ("**SIOC**") round-the-clock under the command of SATS Duty Terminal Managers to oversee operations across all areas (both above and below the wing) where it serves as a single point of contact for SATS airline customers to facilitate swift information sharing and provide quick and decisive responses to ensure departure punctuality and competent handling of disruptions, prolonged delays and unanticipated crises. The Group is the only ground handler in Singapore Changi Airport which is co-located with key airport agencies at the Airport Operations Control Centre;

- The deployment of technology such as the vision-based technology in the Group's Follow-Me Smart Wheelchair system (pioneered for SIA flights in both Changi Airport Terminal 2 and 3) to optimise the use of manpower and improve productivity. The system enables one staff to handle three wheelchairs at the same time;

- arrival and departure handling and crew handling for non-commercial and private flights, chartered flights as well as commercial and revenue flights; and

- arrival and departure handling of VIP and/or VVIP passengers at the VIP complex.

Apron services

The Group provides a host of apron services to passenger and freighter airlines within its network:

Such services include:

- Ramp services for the loading and unloading of baggage and cargo, docking of passenger loading bridges/passenger steps, baggage handling services, aircraft interior cleaning services, technical ramp support services, load control services such as aircraft weight and balance functions, flight operations and provision of specialised ground support equipment.

- Technical ramp support services include aircraft marshalling, Aircraft Docking Guidance System, headset communications, water servicing, lavatory servicing, and providing full ground support services such as ground power units, air conditioning units, air starter units, aircraft pushback and towing services.

- Baggage handling services include the sorting and loading of checked-in baggage at passenger terminals and the sorting and transferring of transit passengers' baggage within the minimum connecting times in preparation for loading onto departing flights and the unloading and segregation of baggage of arriving flights.

- In Singapore, a Baggage Reconciliation System tracks baggage uplift on the right flights, and performs passenger-bag matching and offloading sequences. SATS also has a Customer Care Unit which assists passengers with items inadvertently left behind in the aircraft cabin, recover their missing bags, repair or replace their damaged bags. The department is supported by a call centre to attend to passenger enquiries.

- Aircraft interior cleaning services involve the cleaning, tidying and dressing up of the aircraft cabin, crew compartments, toilets, the replacement of seat pocket items and head rest covers, and the supply of freshly laundered blankets, pillow covers, towels and other amenities.

SATS leverages technology to optimise its operations and resources. In Singapore, a digital control tower, including sub-control centres at Apron Services, provides visibility of key operational activities for any one particular flight, and this is centrally monitored by the SIOC.

Security Services

The Group provides aviation and non-aviation security services through SATS Security Services Private Limited ("**SSS**").

Aviation security services include passenger screening, cargo and catering security, fraudulent document checks, guard and escort services, inadmissible passenger handling, anti-sabotage checks and aircraft protection services. These security services complement the Group's ground handling and airfreight handling operations and the Group is the only ground handling agency which owns an auxiliary police force in Singapore.

Cruise Terminal Services

The Group manages and operates the Marina Bay Cruise Centre Singapore through SATS-Creuers Cruise Services Pte. Ltd., a 60:40 joint venture between SATS and Creuers del Port de Barcelona. Cruise terminal operations includes passenger and baggage facilitation, VIP lounge management and home porting services.

The Group also manages Hong Kong's KTCT through Worldwide Cruise Terminals ("**WCT**"), a consortium led by Worldwide Flight Services.

While cruise terminal operations were previously temporarily halted due to the COVID-19 pandemic, Resorts World Cruises (formerly known as Dream Cruises) and Royal Caribbean, which dock at MBCCS in Singapore, had since quickly restarted operations upon the vaccination of a significant proportion of the population. Based on FY2023 figures, MBCCS received 254 ship calls and handled more than double the volume of passengers compared to the year before. For 6MFY2024, MBCCS received a total of 131 ship calls.

B. Food Solutions business

The Group's Food Solutions business is one of the largest integrated food service businesses in Singapore, with a wide portfolio of food-related businesses including in-flight catering, commercial catering and the distribution of various food products. Outside Singapore, it has several joint-venture airline catering operations across Asia. As a leading food solutions provider in Asia, the Group combines technology with the passion, creativity, and talent of its people to develop quality food products and services for a wide range of customers across a multitude of industries.

In-flight catering services

The Group is an established in-flight caterer with over 50 years of experience. With two large-scale airline catering centres that can produce up to 115,000 meals a day, state-of the art food technologies and an in-house team of chefs from around the world – Japan, France, India, UK, Malaysia, etc., the Group is well-equipped to deliver quality and innovative food solutions that meet the needs of its full-service airline customers. The Group uses a digital integrated supply chain, which provides a secure and sustainable platform to offer airlines comprehensive and holistic food solutions from strategic sourcing and procurement to warehousing and logistics. Other food technologies employed by the Group include the use of an automated rice line capable of producing about 4,000 rice portions an hour, auto-fryers with the capacity to cook approximately 120 kilograms of rice or noodles in an hour, and a thermoforming packing line.

Through joint ventures, the Group also provides inflight catering services at the major international airports including Beijing, in Greater China, Manila, in the Philippines, and Male, in the Maldives.

In particular, inflight catering services which the Group provides include, *inter alia*, full-service carrier catering, low-cost carrier catering, airport lounge management, private jet catering, cabin handling, and culinary training for the cabin crews and staff of some of the world's leading airlines.

Commercial Catering

The Group offers convenient and essential food solutions for a wide range of industries, such as the military, foodservice, corporate and educational institutions and food retail stores. It is also developing innovative F&B concepts that cater to the lifestyles of modern consumers.

1. *Large-scale event catering solutions*

   The Group provides quality food and service solutions for large-scale events and provides catering services across a myriad of occasions such as corporate events, social functions, indoor and outdoor celebrations.

2. *Institutional catering*

   With a number of catering facilities, a large pool of catering personnel and logistics support staff, the Group is one of the leading institutional caterers in Singapore. Through SFS (formerly known as Singapore Food Industries Pte. Ltd.), the Group is able to grow its institutional catering business by tapping on its expertise in running large central kitchens to provide high quality and safe food.

   For example, the Group has been providing food catering services to the Singapore Armed Forces since 1997.

   The Group also supplies pre-schools with centralised catering services. For schools, this raises productivity and lowers manpower and operational costs as there is no longer a need for dedicated space and staff to prepare meals on-site. Through the SATS School Meals Programme, the Group also supplies meals to school students through a subscription-based service where meals are carefully planned to incorporate healthy and nutritious ingredients for the students.

   The Group also caters to acute, intermediate and long-term care hospitals. In Singapore, SFS was awarded the contract to supply food catering services for the 1,400-bed Sengkang General and Community Hospitals which commenced operations in August 2018.

Overseas Expansion in Food Solutions

The Group has also expanded its catering services overseas through a tiered kitchen strategy.

In March 2021, SIPL incorporated its wholly-owned Subsidiary, SATS (Thailand) Co., Ltd., to build its food production capabilities to include the ability to produce frozen meals and ready-to-cook food ingredients. SATS started strengthening its food production efficiency through a three-tiered kitchen strategy of food factories, central kitchens and catering centres. Subsequently, in June 2021, SATS further expanded operations in Thailand by acquiring Thai frozen food producer, Food City Company Limited, for an aggregate purchase consideration of approximately S$21 million. Additionally, in July 2021, SIPL and SATS Thailand acquired 85% interest in the capital of Food City Company Limited (currently known as SFST), a food production facility in Pathumthani, Thailand, which facility covers a land area of 30,000 square metres. The remaining 15% interest in the capital of SFST is held by Bangkok Ranch Public Company Limited.

In June 2021, SIPL and SATS (India) Co. Private Limited, both wholly-owned Subsidiaries of SATS, incorporated a wholly-owned Subsidiary known as SATS Food Solutions India Private Limited, through which, in July 2021, SATS made its first major investment of S$37 million in India to establish a central kitchen in India, where SATS signed a deal for a 27,000 sqm plot with Bengaluru Airport City Limited. The central kitchen will be located at Kempegowda International Airport, Bengaluru. The central kitchen would produce frozen ready-to-eat meals to Indian consumers and take authentic Indian cuisine overseas.

In April 2023, the Group strengthened its presence in China, with the opening of a 21,553.13m^2 central kitchen in Tianjin to adapt to customers' evolving needs, bring more culinary delights to our customers in China and improve the efficiency of large-scale production, by deploying the latest automation and technology as well as harnessing SATS' high food safety standards, international culinary expertise, and domain knowledge in food technology and research and development. The facility is strategically located between Beijing and Tianjin and well served by transportation links, enabling SATS to offer a wide variety of safe, delicious, nutritious and ready-to-eat meals to customers not just in the northern region but also the rest of China and beyond.

Food Products

The Group through its wholly-owned Subsidiary, Country Foods Pte. Ltd. ("**CFPL**") (previously known as SATS BRF Food Pte. Ltd., brings to its customers a wide range of food products from around the world. An expanded sourcing and distribution network through CFPL, one of Singapore's largest food importers, distributors and manufacturers, provides valuable access to markets across the region.

On 19 November 2021, the Group announced its latest collaborations with alternative protein brands and food tech startups to drive consumer adoption of sustainable foods in Asia through CFPL. CFPL has been partnering food tech startups such as Impossible Foods, v2food, and Fable Food since end-2019 when it presented Asia's largest showcase of alternative proteins to local and regional trade partners, and Singapore's first alternative protein company Growthwell Foods in 2020, in addition to multinational corporations such as Tyson Foods.

The Group's other wholly-owned Subsidiary, MBUK, specialises in product and packaging innovation, producing tasty and sustainably packaged handheld snacks that are distributed to premium airlines and other customer segments around the world.

In terms of technological solution, with a digital integrated supply chain, which provides turnkey solutions with end-to-end logistics, warehousing, sourcing and procurement capabilities, the Group is able to serve as the ideal one-stop, go-to-market platform for food-service solutions in Asia.

Operating one of Singapore's largest cold storage facilities spanning 35,000 cubic meters, the Group handles and distributes thousands of dried, chilled and frozen food products from around the world.

6. MAJOR CUSTOMERS AND SUPPLIERS

Major customers

In the domestic market, as at 24 February 2023, the Group provides airport services to 93 out of 121 passenger and freighter airlines operating at Singapore Changi Airport, and the Group's main client for each of its ground handling and airline catering services is SIA.

Globally, following the WFS Acquisition, the Group serves a diversified blue-chip customer base which includes approximately 300 customers globally spread across 1,500 contracts. The WFS Group has a broad and diversified portfolio of airline customers, with relationship tenures from five years to over 35 years, including Air France-KLM, American Airlines, Atlas Airlines, Qatar Airways, Air China, China Airlines, Emirates, Lufthansa, IAG, Eva Air, Allegiant Airlines, Frontier Airlines and Etihad Airways, among others, in addition to Amazon and other freight carriers.

The Group operates at some of the busiest airports in the world, such as Paris Charles de Gaulle (CDG), New York John F. Kennedy (JFK), London Heathrow (LHR), Madrid-Barajas (MAD), Frankfurt (FRA), Los Angeles (LAX), Dallas Fort Worth (DFW) and Bangkok Suvarnabhumi (BKK), and it is one of the leading cargo handlers active at most of the major European and U.S. airports.

Suppliers

The Group purchases food and raw materials from various overseas and local sources and suppliers and is not dependent on any single major supplier for its food production and catering business.

7. BUSINESS STRATEGIES

The Group adopts a twin-engine growth strategy with focus on Strengthening its core capabilities in Singapore and Expanding these capabilities to leverage best practices and grow in extended global markets. This strategy extends across the Group's key business areas:

- Gateway – including cargo and ground handling

- Food Solutions – which includes catering and branded products for both aviation and non-aviation markets.

In April 2023, the Group also concluded the acquisition of Worldwide Flight Services, which deal establishes a highly diversified and truly global network across the Americas, Europe and Asia Pacific and accelerate the transformation to becoming the world's leading air cargo handler.

Twin-engine growth strategy

The ambition to drive profitable and solution-driven growth is built on the Group's twin-engine strategy. This strategy consists of two key levers:

(1) Strengthening the core in Singapore and establishing innovation, service excellence and sustainability pre-eminence for the network; as well as

(2) Expanding the overseas business by increasing cargo connectivity and expanding handling capabilities to include eCommerce and cold chain while accelerating food production and branded solutions in key Asian markets.

FY23 started expeditiously and has been focused on the aviation recovery post the COVID-19 pandemic and the focus up until 1H FY24 has been on restoring and scaling up group profitability. The recovery has allowed the Group to benefit from robust passenger traffic recovery to fuel growth in Food Solutions and passenger-linked ground services. At the same time, air cargo volumes have been showing signs of gradual recovery amid an uncertain global trade outlook which may not recover in the near future.

Advancing its strategy to strengthen the Group's core capabilities in key markets and to leverage its large global footprint to grow its business, the Group has been enhancing its systems, processes, and expertise in key markets, with the goal of replicating these capabilities across its network to scale and expand. Innovation has been a driving force behind the Group's business strategies, enabling more resilience and opportunities.

(1) Strengthening the Singapore core

By strengthening the core, the Group intends to secure continued market leadership in Singapore in terms of ground handling, cargo terminal operations and enhance Singapore's status as a world class hub through continued value growth.

Gateway

The COVID-19 outbreak resulted in an unprecedented drop in demand for air travel globally and a correspondingly substantial adverse impact on the revenue and profitability of the Group. Nonetheless, the Group ensured the retention of valuable core competencies and capabilities and continued to pursue investments in the digitalisation of its business. The continuous innovation included a cloud-based digital cargo system that efficiently manages cargo handling from end to end and the digitisation of mission-critical load control processes in ground handling. In addition, the Group upgraded its systems in the nerve centre of SATS' gateway operations, the SATS Integrated Operations Centre leveraging artificial intelligence coupled with machine learning capabilities that integrate data from various sources within its operations to enable swift decisions in the event of flight disruptions. The system is undergoing fine-tuning to allow a better travel experience for passengers.

To meet expanding eCommerce needs, the Group is leveraging its Cargo Terminal Operations capabilities, by providing value-added services, such as breaking bulk, sorting, and scanning eCommerce parcels at its cargo terminal for freight forwarders to deliver directly to distribution warehouses for last-mile processing. These value-added services expedite cross-border eCommerce flows and reduce transit time across the supply chain.

Food solutions

The Group is building on its domain expertise in food solutions to meet the rising demand for convenient, nutritious and authentic ready-to-eat meals across aviation and non-aviation channels. Through its brand accelerator FoodFlix, the Group is expanding local Singaporean hawker brands and has also launched signature recipes under The Travelling Spoon brand, which has been available through 7-Eleven stores across Singapore.

To support this Food Solutions ambition, the Group targets increased operational efficiency with its tiered production network through large-scale production of ready-to-eat meals and ready-to-heat food components in food factories and central kitchens. To achieve this, SATS acquired a Thai frozen food producer in 2021 to start up a frozen food factory in Thailand. Leveraging its strategic location in the state-of-the-art Thai food ecosystem, the factory is expected to expand its capacity to supply frozen meals to SATS central kitchens through various global channels, from aviation to foodservice and retail.

As part of its strategy, the Group also invests in protein trading, value add processing, and distribution. The Group has built a compelling house of brands to support its value food proposition to customers and consumers such as Farmpride and The Travelling Spoon.

The Group has also established a Global Innovation Hub in Singapore that provide customers across all channels with new expertise, such as consumer and market insights, design thinking, packaging graphic & technical design, communication design and sustainability thought leadership. This helps generate demand via greater product innovation and uncover untapped market segments that will grow the Group's and its customers' competitiveness underpinned by sustainability. It has also launched a new Product Development and Customer Experience Centre in Shanghai, China to develop innovative products and services, menu development, and sustainable packaging for the foodservice and retail channels. A product innovation centre has also been included in the plan for the central kitchen in Bengaluru, India to open in Q1 of 2024.

Digital transformation is key to enable the Group to strengthen its core businesses while adapting its systems and processes to expand beyond travel. SATS adopts an insights-driven approach to innovation. To support the tiered production network and the diversification of global food sources, digital integrated supply chain capabilities have been built.

As consumer touchpoints become more contactless, SATS preserved its unique blend of "passion to delight" hospitality mind by implementing technology-driven, people-led innovations. These innovations are designed with consumer challenges in mind, from packaging to usage and touchpoints.

(2) Expanding the Overseas Business

SATS' overseas ambition includes becoming a leading global air cargo handler and continuing to drive the regional expansion of authentic, value add and nutritious food solutions.

Gateway

The transformational acquisition of WFS has put the Group in a strong position for the future, unlocking significant growth potential and building business resilience. The acquisition of WFS is highly complementary to the Group's and allows to respond to the competitors' expanding across Asia.

SATS ambition is to grow the customer coverage across its global network by providing a harmonised customer experience and competitive solutions. The Group has been able to deliver multiple significant customer wins including supporting Etihad's US expansion and Copenhagen operations through a country-wide appointment as air cargo handling partner.

In addition, the Group is looking to expand its value-added services beyond core cargo handling by extending services both to the local cargo ecosystem as well as across its global customer network. In this context, SATS and WFS have signed an MoU on a strategic collaboration with Kuene+Nagel to drive value chain improvements and sustainability. In Liege, the Group has expanded its collaboration with freight forwarders to support their global gateway and provide warehouse services. With a sharp rise in the demand for eCommerce during the COVID-19 pandemic, the Group has set up 27 eFulfilment corridors across its network to capture more of the cross-border logistics market. Replicating its capabilities across its network, the Group's associate GTR has successfully tapped into the growing eCommerce market in Malaysia and is collaborating with Cainiao on the setup of GTR eHub and Cainiao Aeropolis eWTP Hub at Kuala Lumpur International Airport.

SATS is also strengthening its cold-chain capability across its network to handle high-value perishable cargo more efficiently. For example, Beijing Aviation Ground Services has developed an intelligent cold-room monitoring system with government grant support, providing a comprehensive control platform to expand its cold-chain handling capabilities.

The Group is continuing to expand its footprint to strengthen its existing network and expand its hubs. In Chicago O'Hare, SATS has boosted its capacity with a new cargo terminal. In Madrid, a new cargo terminal is being built expanding the capabilities to serve the Group's 39 airline customers. In India's Noida, a state-of-the art Multi-Model Cargo Hub is being built to support the region's large industrial clusters. The Group also continues to advance its network connectivity strategy in cargo by expanding its presence in leading hubs. For example, in 2022, the Group won the licence to operate a CTO in Jeddah. This is in addition to the Group's existing cargo operations in Riyadh and Dammam. Building its share in cargo operations, the Group has also increased its shareholding in AAT to a controlling stake of 65.4%.

Food Solutions

The Group intends to grow its Food Solutions business in key markets in Asia, such as India, China, and Japan. To do this, SATS is differentiating its business in these markets by leveraging its culinary expertise, high food safety standards, consumer insights-driven innovations, and knowledge of food technology to produce high-quality, nutritious, and authentic-tasting food.

To drive demand generation, the Group is focusing on multiple aviation and non-aviation channels. In April 2023, the group announced a partnership to strengthen the food value chain with Mitsui. SATS is exploring the opportunities to leverage Mitsui's extensive distribution network and supply sources to grow demand for its products and services and diversify SATS' supply chain. In Japan, the Group has established aviation catering, kitchen and restaurant operations across Narita and Haneda International Airports, as well as commercial food operations in key locations across central Japan.

Advancing its tiered kitchen strategy to drive operational efficiency and scale, the Group is not only leveraging its large-scale production facility in Thailand but also expanding its production network with central kitchens in other markets. In China, SATS launched the Tianjin central kitchen in April 2023. In India, one of the largest central kitchens of its kind in Bengaluru, is expected to be operational in Q1 2024. The building has also been designed with state-of-the art sustainability and food & operation safety in mind. It is the first Leadership in Energy and Environmental Design certified food manufacturing facility in India with an Internet of Things building management system to enable utility consumption to be proactively tracked and regulated.

The protein trading, processing, and food production is expected to expand across the region through partnerships in China, Japan, Vietnam, and Philippines.

8. COMPETITIVE STRENGTHS OF THE GROUP

The Group's business benefits from a number of competitive strengths, including:

Pre-eminent Global Leadership Market Position

In the context of its original domestic market in Singapore, the Group is an established brand that has successfully developed strong brand recognition over the past 50 years. Leveraging on its domain experience and core competency in ground services as well as its culinary expertise, the Group is well known in Singapore to be innovative, and for providing good quality products and excellent services. As a testament to the brand, the Group has won various awards throughout the years including the award for 'Airline Caterer of the Year – Asia' by Pax International Asia for the fifth consecutive year and the award for 'Best Air Cargo Terminal Operator – Asia' at the Asian Freight, Logistics, and Supply Chain (AFLAS) Awards for the second consecutive year in 2022. Please refer to the section "*Awards and Accolades*" below for further details.

SATS is the leading player in the Singapore market for aviation services and is integral to the Singapore aviation ecosystem – both CAG and SIA rely heavily on SATS to deliver a holistic service experience for travelling customers in and out of Singapore. SATS is licensed by CAG to provide food and gateway services, and is the leading player at Changi Airport with a significant market share (dnata accounts for the remaining air traffic, and a third ground license remains available). SATS is also a key component of SIA's service quality and provides food and gateway services for SIA and other airlines' passengers. SATS provides a range of value-added services to both CAG and SIA at each stage of the flight journey. At the check-in, lounge and boarding stage, SATS provides passenger services (including seamless check-in facilities, special considered care services, and premier services), airport lounge management (for SIA First Class, Premium and Business Lounges as well as SATS Lounges within Changi and Seletar Airports), security services (including aircraft protection, cargo security, forgery detection, guard and escort services, inadmissible passenger handling, and passenger profile screening), as well as carrier handling services. In-flight, SATS provides aviation catering (including full service carrier catering, low cost carrier catering, and private jet catering), cabin handling services (including purpose-build Direct Upper Deck Catering hi-lifts, modern equipment-washing machines and services in delivering meals, dry stores, equipment and removing waste from aircraft cabin), catering security services (including the monitoring and inspection of catering carts throughout the cart-loading and offloading process from kitchens to each aircraft), as well as linen and laundry services (including wet washing and dry cleaning, special care requirements for aircraft bedding, food and beverage linen, company uniforms and personal garments). At arrival, SATS completes the trip with its security services and carrier handling services for a safe touchdown. With support from SATS' comprehensive suite of services, CAG was awarded the DestinAsian Readers' Choice Awards award for Best Airport 17 times in 2006-2020 and 2022-2023. CAG has also been rated deficiency-free 42 times since 1981 by the International Federation of Air Line Pilots' Association (IFALPA). CAG has also been awarded Skytrax's World Best Airport 12 times since 2000, including most recently in 2023.

In Asia, the Group provides food solutions and gateway services catering to more than 60 locations across 14 countries. It has an entrenched position in cargo handling in Asia with global network channels and a presence in five of the top 10 cargo airports in Asia, including Hong Kong, Taipei, Singapore and Beijing. The Group has also established 38 cold chain corridors, 55 RFID corridors, 27 eFulfilment corridors and 10 valuables corridors which cater to a Total Addressable Market in eCommerce cross-border logistics of US$4 billion.

The following table summarises the cargo handling capacity of the Group before the WFS acquisition (in tonnes per annum):

Cargo Handling Capacity (tonnes per annum)		
	Overall	**Cold Chain Facility**
China	PEK: 630,000 PKX: 600,000	PEK: 16,000
Hong Kong	HKG: 1,500,000	HKG: 70,000
India	BLR: 210,000 BOM: 700,000	BLR: 40,000 BOM: 1,300 (one time storage capacity)
Indonesia	CGK: 300,000 DPS: 50,000 SUB: 30,000	CGK: 32,000
Malaysia	KUL: 240,000	KUL: 5,800
Middle East	MCT: 350,000 DMM: 150,000 RUH (Main): 300,000	MCT: 50,000 DMM: 40,000 RUH (Main): 40,000
Vietnam	SGN: 350,000	SGN: 30,000

Following the WFS Acquisition, the Group's combined network across the Americas, Europe, and Asia Pacific spans over 210 locations in 27 countries, covering trade routes responsible for more than 50% of global air cargo volume. WFS operates in five of the top 10 cargo airports in North America and EMEA, including Los Angeles, Chicago, Miami, Frankfurt and Paris. In other words, the WFS acquisition transforms the Group from a Singapore and Asia-centric operator to a global aviation services leader.

SATS and the WFS Group have also forged strong reputations and established their respective brands in the existing markets in which their businesses operate. This is underpinned by their performance as well as exceptional service and driven by the long-term relationships with existing customers, airports, regulators and other stakeholders. The combined Group looks to leverage on these strengths to preserve and build on the value proposition of the WFS Acquisition. Integration planning efforts are ongoing to maximise business opportunities to be pursued with existing and new customers of both companies, which may include cross-selling opportunities and building a stronger value proposition for customers across an unparalleled Asia-U.S.-Europe network.

Diversification Across Business Segments

The Group's diverse yet integrated businesses cut across various industries, allowing the Group's brand to be marketed across many different platforms. Apart from its aviation services, the Group also has a resilient business underpinned by non-travel segments. Income from the non-travel segments of the Group's Food Solutions and Gateway Services arms as well as its security services and the Marina Bay Cruise Centre contributes to the Group's performance. The non-travel segment of the Group's Food Solutions arm is supported by its involvement in the food distribution and logistics, and institutional catering sectors. Key initiatives to grow this segment include catering meals for essential workers in healthcare and transportation, patients in hospitals and students in schools, helping airlines develop low touch packaged meals, launching a new F&B concept and ready-to-eat meals in retail chains, and commercial catering. The non-travel segment of the Group's Gateway Services arm also continues to see recurring income from cruise services. While the cruise segment of the business was initially impacted by COVID-19 restrictions, revenue rebounded as Singapore quickly resumed cruise vacation upon successful vaccination of the population.

An Unwavering Focus on Quality

As a premium service provider, the Group is passionate about excellence and constantly strives to deliver the highest quality and value to its customers.

In its Food Solutions business, the Group has established a robust Food Safety and Quality Management System aimed at enabling its customers to meet its clients' expectations for safety, speed and accuracy. To further ensure that the quality of its products are maintained through the food process chain, the Group has an end-to-end integrated quality assurance and traceability system which covers food sourcing, suppliers approval, storage, central food processing, as well as meal preparation and catering services. The Group's processes adhere to International Flight Services Association World Food Safety Guidelines for Airline Catering, Singapore Food Regulations, AVA's food safety standards, HACCP and ISO 22000 Food Safety Management System. In 2017, the Group also obtained the Aquaculture Stewardship Council Chain of Custody Certification and Marine Stewardship Council Chain of Custody Certification for seafood. To ensure the highest possible handling standards and enhance its reputation in handling temperature-sensitive cargo, SATS also continued to achieve CEIV certification across its network of cargo terminals. Both SATS Coolport and AAT Coolport have achieved the IATA Centre for Excellence for Independent Validators in Pharmaceutical Logistics (CEIV Pharma) certification, the IATA Centre for Excellence for Perishable Logistics (CEIV Fresh) certification and the SGS Good Distribution Practice (GDP) Certification for Pharmaceutical Industry. SATS, its Hong Kong Subsidiary, AAT, and its Indonesia joint venture company, PT JAS, were also the first cargo ground handlers to gain IATA's Centre of Excellence for Independent Validators Lithium Batteries (CEIV Li-batt) certification, enhancing the Group's capability to handle dangerous goods.

For Gateway Services, connectivity is key to maintaining quality. The Group strives to connect its operations across its network in the region to provide its customers and partners with seamless, reliable and consistent solutions. To enhance connectivity and cargo capabilities, SATS has established an airfreight terminal in Riyadh's King Khalid International Airport, forming a cold-chain connected corridor between Dammam and Riyadh in Saudi Arabia. It has also won the licence to operate a CTO in Jeddah in 2022 and has strengthened its Saudi cargo terminal operations to include Jeddah as well. Locally, SATS operates six airfreight terminals including an Express Courier Centre to seamlessly connect millions of tonnes of cargo from Singapore to the world. Seeing a sharp rise in demand for eCommerce during the pandemic, SATS has set up 27 eFulfilment corridors across its network to capture more of the cross-border logistics market. Leveraging its Cargo Terminal Operations capabilities, SATS provides value-added services, such as breaking bulk, sorting, and scanning eCommerce parcels at its cargo terminal for freight forwarders to deliver to distribution warehouses for last-mile processing. These value-added services expedite cross-border eCommerce flows and reduce transit time across the supply chain. With this, the Group is able to provide enhanced visibility as well as seamless delivery and improved reliability. Last but not least, the Group's recent acquisition of the WFS Group likewise contributes to the connectivity of its operations globally. For further details on the WFS Acquisition, please refer to the section titled "*Acquisition of Worldwide Flight Services*".

Investing in Technology and Innovation

In order to position itself for future growth, the Group continues to invest in technology and spearhead innovative solutions to achieve better synergies within its operations, improve productivity, enhance digital experiences of its customers and partners and improve the quality of its food and services.

By improving the Group's offerings with innovative and technology-driven solutions, the Group is able to stay ahead of the curve amidst a challenging environment. In December 2016, SATS became the first ground handler worldwide to receive the IATA accreditation for ramp services training and became an authorised training centre with exclusive rights to train ground handlers in 10 Asian countries. SATS is also the world's first ground handler to integrate smart watches in technical ramp operations, which enhances operational communication to improve productivity, safety and collaboration. In Hong Kong, AAT has likewise introduced RFID technology on ULD tags, integrating this with its Cargo Management System and Material Handling System in order to improve and streamline ULD handling processes. The Group has also designed an integrated air cargo handling system – COSYS+ – which automates and simplifies ground handling, and provides real-time flight and shipment tracking information which helps in monitoring workflow and improving service levels and efficiency. In 2022, SATS upgraded the systems and processes in the nerve centre of SATS' gateway operations, the SIOC. Targeting greater connectivity for its customers, it incorporated artificial intelligence combined with machine learning capabilities that integrate data from various sources within its operations to enable swift decisions in the event of flight disruptions to allow for a better travel experience for travellers. To further improve operational resilience, SATS has also digitalised its mission-critical load control processes in its ground handling operations to allow remote access.

SATS also continually invests in innovation and overseas expansion to build the foundation for sustainable growth in its Food Solutions business. In this regard, SATS' investment strategy focuses on expanding its product portfolio, strengthening its protein supply chain, fortifying its tiered kitchen production and innovating food for the future. To expand its product portfolio, SATS has formed new partnerships in Greater China, India and the UK which boost SATS' capabilities to augment value creation for its customers, allow it to penetrate broader customer segments and capture more growth opportunities overseas. Closer to home, SATS' Food Solutions venture building arm launched a new F&B concept in

Singapore, Twyst, which combines culinary innovation and data-driven consumer insights to create new pasta flavours and menu delights. SATS' investments in innovations also fortify existing capabilities. In FY 2022, SATS strengthened its foundation for a tiered kitchen production model by breaking ground for a central kitchen in India and a food hub in Singapore. SATS also continues to lead the way for sustainable food innovation as Country Foods partners with alternative protein brands and food tech start-ups to tailor its product offerings and enhance out-of-home and at-home dining experiences. For its efforts, SATS emerged on top in several awards, obtaining an award for Catering Innovation of the Year – New Short-Haul Economy Class Meal Concept and SATS' Executive Culinary Team achieving the Industry Champions (special merit) award at the Onboard Hospitality Awards 2021.

Following the WFS Acquisition, the Group also intends to rollout advanced technology across the combined Group's platform, and coupled with continuous digital transformation and automation, aim to improve operational efficiency and digitalise standard operating procedures. Data analytics will be utilised to evaluate and optimise operating performance and assist with demand planning. New technology such as automated vehicles and Internet of Things for tracking pallet location and/or availability will be deployed, and existing data infrastructures will be migrated to the cloud. Data governance and cybersecurity defences will also be strengthened across the entire network in tandem with end-to-end visibility and traceability established globally. The Group will pursue further technology innovation through partnerships with leading technology companies to co-design and develop innovative cargo handling and airport services across the newly created global platform.

Optimised and Reliable Supply Chain

Given the Group's scale, size and geographical reach, it is generally able to benefit from its strong purchasing power, enabling lower unit raw material costs through economies of scale, which provides the Group with an important competitive edge to win new businesses.

The Group's strategic supply and sourcing spans from Australia and New Zealand, to Europe, as well as Asia and the Americas. It has 3-tier production facilities in Thailand, China, India, Japan and Singapore. Its distribution channels cover Southeast Asia, China, India, Japan and Singapore.

To accelerate innovation, a corporate centre of excellence, SATS Global Innovation Hub (SGIH) has been established to drive a design-thinking, insights-led and sustainability-focused approach to new and innovative food and gateway solutions.

Although the Group does not significantly rely on any single supplier at a group level, the Group enjoys long-lasting and stable relationships with key suppliers through strategic partnerships, which enhance cost competitiveness as well as stability and quality of raw material supply. The Group performs quality audits when selecting new suppliers, periodic audits on existing suppliers and regular checks on the raw materials procured. This ensures the reliability of the supply chain and improves quality control.

Experienced Board and Management Team Supported by a Sustainable Talent Pipeline

The Group is led by an experienced board of directors and senior management team along with a well-established governance framework. The Board of Directors has a strong track record of operational performance, corporate governance and management expertise. The Board of Directors is led by Ms Euleen Goh Yiu Kiang, Chairman and Independent, Non-Executive Director, and Mr Kerry Mok Tee Heong, Executive Director, President and Chief Executive Officer. Please refer to the section entitled "*Directors and Management – Board of Directors*" of this Offering Circular for further information on Ms Goh

Yiu Kiang Euleen and Mr Mok Tee Heong Kerry. The senior management team, comprising Mr Kerry Mok Tee Heong, Mr Manfred Seah Kok Khong, Mr François Mirallié, Mr Tan Chuan Lye, Mr Stanley Goh, Mr Bob Chi, Mr Michael Simpson, Mr John Batten, Ms Tan Chee Wei, Mr Henry Low, Ms Véronique Cremades-Mathis, and Mr Ian Chye, has extensive industry experience and are instrumental to continuing the successful operations and growth of the Group. Please refer to the section entitled "*Directors and Management – Senior Management*" of this Offering Circular for further information on the senior management team. SATS is dedicated to upholding the highest standards of corporate governance and its corporate governance principles reflect its focus on strong leadership, effective internal controls and risk management. This can be seen from the numerous awards achieved by the Group, such as the 2022 Gold award it received for Best Investor Relations and Silver award for Best Managed Board at the Singapore Corporate Awards. SATS also topped the Singapore Governance and Transparency Index 2022, the leading index for assessing corporate governance practices of Singapore-listed companies, for the third year running in the general category. SATS has also been awarded the Singapore Corporate Governance Award (Diversity) at the SIAS Investors' Choice Awards 2023.

The Group also benefits from the experience and industry know-how of many of its staff who have been with the Group for many years. A large number of the Group's managers have a long history of operating in the Food Solutions and Gateway Services businesses, a solid track record of long-term profitable growth through business cycles and a shared culture of control and operational efficiency. To develop the Group's future leaders and support of skills mastery as well as promote lifelong learning, the Group launched its SATS Academy on 4 July 2018.

The SATS Academy aims to develop and implement programmes to help employees realise their full potential as they "Grow with SATS" and pave the way for a sustainable talent pipeline with core skills and competencies required to support the growth of the Group and the industry. Prior to the launch of the academy, the Group's domain excellence has been recognised by global bodies like IATA, where it was awarded the world's first centre of excellence for independent validators for pharmaceutical handling in November 2014.

Adaptability to Unexpected Crises

The Group was able to tap into the capacity, expertise and capabilities it had built through early investments via the twin-engine growth strategy to adapt to unexpected crises such as the COVID-19 pandemic, to capture new opportunities in different segments and emerge more resilient.

For example, when volumes in all of the Group's aviation-related business declined in 2020, the Group adapted and repurposed the resulting capacity in its flight kitchens to serve new customers in market segments like food services and retail. The Group also took the opportunity to gain momentum in new segments. The demand for eCommerce surged during the crisis, as consumers switched their disposable spending from services to products, driving the online share of global retail up. The Group leveraged its airside location of digitalised cargo facilities to support this growth, as online shopping takes a larger and larger market share. Driven by evolving consumer preferences amid the COVID-19 pandemic and by the long-term trend of rapid urbanisation, Asia's ready-to-eat meals market was also expected to grow. SATS recognised this emerging opportunity early, and was able to capture it through wholly-owned Subsidiaries Country Foods, SATS Kunshan, and Monty's Bakehouse, in addition to associates like TAJSATS in India.

In 2020, the Group also called upon all of the new capabilities in food technologies, large-scale central kitchens, and digital supply chain that it had been building in the few years prior and responded with speed and agility to the COVID-19 pandemic. From catering for essential workers in healthcare and logistics, feeding migrant workers, to ambient meals for consumers in supermarkets, SATS harnessed its culinary know-how to rapidly redirect capacity to serve new customers at high volume across its network. In India, Taj SATS partnered the Taj Public Service Welfare Trust to deliver thousands of meals daily to frontline staff working at government hospitals in Delhi and Mumbai, and over two million meals to healthcare professionals and migrant workers in Mumbai during the COVID-19 crisis.

During the pandemic, the Group's CTO network, which spans more than 10 major cities, also performed a vital role in keeping global supply chains moving, ensuring that critical medical and food supplies reach countries that need them most. As countries gradually rolled out COVID-19 vaccination programmes, the Group continued to handle vaccine shipments across geographies, while facilitating aid to others, with its team in Singapore and associates such as AISATS handling flights transporting over 600 oxygen concentrators to alleviate India's oxygen shortage during its second COVID-19 wave.

The strong air connectivity of key airports in the Group's CTO network also helped to boost Singapore's status as a key pharmaceutical and regional vaccine distribution hub. Since the onset of the COVID-19 pandemic, the Group has handled multiple shipments of various types of COVID-19 vaccines in Singapore to countries in the Asia Pacific region. SATS associate, Beijing Aviation Ground Services, proactively established a partnership with leading cold-chain solutions company, Envirotainer, to handle more pharmaceutical and vaccine shipments, extending its partnership with them in other hubs. BGS also trialled automated forklifts that will stack and retrieve shipments in its cold rooms, as part of an Intelligent Cold-chain project in collaboration with the municipal authorities.

As people started to travel more again after COVID-19, their safe journeys require additional care and innovation. The Group is helping to establish new procedures, incorporating health checks and fully digital, touchless passenger journeys. In Jakarta, PTJAS took passenger services up a notch with its new Airport Special Assistance mobile application, Indonesia's first digital "personal assistant" service, to assist travellers at Soekarno-Hatta International Airport with their check-ins, baggage collection and transportation needs. At Beijing's new Daxing International Airport, joint venture Beijing CAH SATS Aviation Services (BCS) provides off-airport check-in services, enabling travellers to check in their bags before commuting to the airport.

COVID-19 has presented the opportunity to accelerate the digital transformation of operations to improve service for the Group's customers while enhancing productivity and safety across the business. For example, the Group successfully linked Speedcargo's Cargo Eye, a cargo dimensioning system using AI from research platform TUMCREATE, with COSYS+, a proprietary cloud-based cargo terminal handling and management system, to offer better traceability to the air cargo ecosystem.

Demand for cold-chain and pharmaceutical storage is also growing in Indonesia, so PT JAS has built a refrigerated enclosed area of around 4,100 sqm at the import terminal with precision temperature zones ranging between 15°C to 25°C to ensure cold chain integrity.

9. GENERAL COMPETITIVE CONDITIONS IN INDUSTRY

A. Gateway Services business and airline catering

Competition in the Domestic Market

There are currently two companies licensed by CAG to provide ground handling services and airline catering services at Singapore Changi Airport. Apart from SATS, Dubai-based, dnata, holds the other licence granted by CAG. It is a Subsidiary of the Emirates Group and is a global ground handler and in-flight caterer with a presence in multiple locations. A third ground license remains available.

To strengthen its position as the leading ground handler in Singapore Changi Airport, the Group has mobilised resources to build and strengthen its relationship with key airline customers to expand its ties with these customers on a network-wide basis. This effort will in the longer term bring about greater synergies in the marketing and promotion of the Group's products and services on a global basis to sustain its leading position in Singapore.

Competition in the Regional/Global Markets

Even in Asia, the future business prospects of the Group are significantly dependent upon the continued success of Singapore Changi Airport as a regional and international hub and transit point in Southeast Asia. For example, in relation to airfreight handling, the Group faces competition from airfreight handlers at other leading international airports in Asia, such as Hong Kong International Airport and Bangkok International Airport, particularly if these Asian airports including their home-based airlines become more attractive as transshipment options for airfreight.

SATS expects that the Group's business in Asia will continue to grow to the extent that the frequency of flights and the number of passengers arriving at, departing from and transiting through Singapore Changi Airport continue to increase. To the extent that airlines use other international airports in Asia (where the Group is not present) as an alternative to Singapore Changi Airport for passenger and freighter flights, the business, results of operations and financial condition of the Group may be materially and adversely affected.

Following the WFS Acquisition, the Group is now also exposed to competition from a more global perspective. Around the world, the aviation services industry generally is highly fragmented, with a large number of small players. For example, the cargo handling sector has been fully liberalised and subject to intense competition for many years, particularly in Europe and North America. Asia has seen an increase in competition in the last ten years with the arrival of the larger cargo handlers in various locations. The ground handling sector, while fully liberalised in North America, is still undergoing deregulation in Europe and is bound by some regulations that limit the number of players. At larger European airports, some of the ground handling sector is already seeing an increase in competition.

Hence, as a result of the WFS acquisition, the Group now faces direct competition around the world from a greater number of independent cargo and ground handling providers, as well as airlines and airports that satisfy their cargo handling services or ground handling needs internally. The global cargo handling competitors for the WFS Group include Swissport (one of the two largest operators, along with the WFS Group), Dnata and Menzies. Swissport operates principally in Europe, Africa, and the Americas with a growing presence in Asia. Dnata primarily operates in the Middle East, Europe and Asia but has recently entered the Americas market. Menzies operates in the United Kingdom, Europe and the United States. The WFS Group's other main competitors in cargo handling are Celebi and other smaller regional handlers.

For airline catering specifically, the Group also faces competition from non-traditional meal sources from around the world, such as frozen and/or ambient meal suppliers, which disrupt the traditional fresh cook-chill business model. The long shelf-life of these meals means that competition is no longer restricted by geographical location. If the Group is unable compete effectively with these non-traditional meal sources, the Group's business, results of operations and financial condition could be materially and adversely affected.

Separately, as in the case with the self-handling of passenger services, passenger airlines can also choose to "double-cater" their in-flight meals for transit and short-haul flights. For example, where an airline for a particular flight route or sector usually procures catering services for in-flight meals from the Group in one station and procures the same from a competitor in the other station, the "double-catering" of in-flight meals means that the airline may choose, for that particular flight, to instead purchase in-flight meals for two flight sectors from only one caterer from one of the stations – either from the station operated by the Group or the station operated by a competitor. Often, airlines with their own airline catering business would "double-cater" for short-haul sectors, and this poses competition risks for the Group and the corresponding impact on its revenue if "double-catering" is done in favour of a competitor to the exclusion of the Group.

B. Food Solutions business (excluding airline catering)

Catering business

Despite having the facilities to produce high quality and safe food and being a choice caterer for national events in Singapore, the Group faces intense competition from within a relatively saturated F&B industry, including incumbents providing similar catering services to its customers.

Food products

Due to the relatively low barriers to entry in the F&B industry, the Group faces numerous competitors under its food products business segment.

10. AWARDS AND ACCOLADES

Business-related Awards

In recognition of the high quality of its services, the Group has received a number of awards and certifications from its international airline clients and other industry organisations for its Gateway Services and Food Solutions businesses including:

- "Best Short Haul Caterer 2013" by All Nippon Airways for the second consecutive year;
- "Station of the Year" for the Asia Pacific region by Delta Airlines in 2014;
- Silver medalist for "Public Service Excellence Award" conferred by the Indonesian Ministry of Transportation in 2014;
- Gold award in Cathay Pacific's Caterer Performance Recognition Programme in 2014;

- “Best Inflight Caterer Award” at Delhi airport for the third consecutive year in 2014;
- “Ground Service Equipment Safety Innovation Award” at the 17th Annual Ground Handling International Conference in 2015;
- 10 awards at the 2015 AVA Food Safety Awards. In recognition of achieving 20 consecutive years of grade “A” ratings, SATS also received the inaugural Platinum Award;
- “2015 Caterer of the Year” by Jetstar Japan and “Best Catering Award 2015” from Air China;
- AVA Food Safety Platinum Award in 2015 – SATS Catering Pte Ltd In-flight Catering Centre 1 (20 consecutive years of ‘A’ grading);
- AVA Food Safety Platinum Award in 2015 – SATS Catering Pte Ltd In-flight Catering Centre 2 (20 consecutive years of ‘A’ grading);
- “Most Scalable Transformation Award” at the 2016 Singapore International Chamber of Commerce Awards;
- “Best Cooperation Award” by Lufthansa Cargo at its “Supplier Awards” ceremony held in Berlin in 2016;
- “Air Cargo Terminal Operator of the Year” at the annual Supply Chain Asia Awards in 2016;
- “Hong Kong Awards for Industries 2016: Productivity and Quality Certificate of Merit”;
- ISO 9001 quality system certification along with two new quality certifications – the Environment Protection Management System ISO 14001 and the Occupational Health and Safety System ISO 18001: 2016 Certification;
- “Best Ground Handling Company” by Hong Kong Airlines in 2016;
- “Best Ground Handler” by India Cargo Awards for the second consecutive year in 2016;
- “Best Air Cargo Terminal Operator” by the Indian Chamber of Commerce at the Indian Supply Chain and Logistics Excellence Awards for the sixth consecutive year in 2016;
- “Singapore Airlines CEO Transforming Customer Service Award 2016” by Singapore Airlines;
- Gold award in Cathay Pacific’s caterers’ performance recognition programme;
- two Gold, four Silver and two Bronze awards at the Food and Hotel Asia Culinary Challenge for FY 2017. SATS was also awarded Gold for the “Best Caterer” category by Cathay Pacific in 2016;
- “Top 20 Malaysia Business Excellence Award” in 2016;
- “Best Catering Award” from both Air China and Air Tahiti Nui in 2016;
- “Beijing Airport Safety Award” by the Beijing Airport Safety Committee for being free from aircraft incidents and food issues in 2016;

- "Best Airline Caterer" by Philippine Airlines for outstanding performance in providing high quality meals and customer service in 2016;
- "2016 QSAI Silver Award of Excellence in Catering Quality" bestowed by Medina Quality;
- "Best Caterer 2016 – Gold Award" by Cathay Pacific;
- "Ground Handler of the Year – Industry Choice Winner" at the annual Payload Asia Awards for the fourth consecutive year in 2017;
- "Top of the World" award from Cebu Pacific Airways for the second consecutive year in 2017;
- "Best Cold Chain Cargo Terminal of the Year" at the Cold Chain Strategy Summit 2017;
- "Best Cold Chain Warehousing Company" by India Cargo Awards 2017;
- "Asia Pacific Airport Lounge of the Year 2017" by Priority Pass;
- "IFSA 2017 Compass Awards – Caterer of the Year" awarded by the International Flight Services Association in 2017;
- "Best In Class" for Malaysia Productivity Corporation's Malaysia Business Excellence Framework in 2017;
- Gold in the Top 100 companies in the Maldives in 2017;
- Gold in All Nippon Airways Best Caterer Worldwide Award in 2017;
- "Best Service" by Air China in 2017;
- "Best Caterer for Mid and Short-Haul Routes" by Korean Air in 2017;
- AVA Food Safety Gold Award in 2017 – SATS Food Services (15 consecutive years of 'A' grading);
- AVA Food Safety Gold Award in 2017 – SATS BRF (15 consecutive years of 'A' grading);
- "IGHC Innovator Award 2018" by IATA;
- "Best Air Cargo" and "Best Ground Handling Service Provider" by Wings India in 2018;
- "International Cargo Ground Handler of the Year (Highly Acclaimed)" by the STAT Trade Times in 2018;
- "Best Technological Collaboration" at the 2018 Singapore International Chamber of Commerce Awards;
- "Best Green Air Cargo Terminal Operator" at the 2018 Asian Freight, Logistics & Supply Chain Awards;
- Gold Award at the Workplace Safety and Health Innovation Awards 2018;
- "Caterer of the Year" at the PAX International Readership Awards 2018;

- "IFSA 2018 Compass Awards – Caterer of the Year" awarded by the International Flight Services Association in 2018;

- "2019 QSAI Worldwide Platinum Award and Gold Award" for excellence in catering quality in Asia Pacific by Taj SATS Delhi;

- Runner-up for Most Transparent Company Award (Industrials) at the SIAS Investors' Choice Awards 2019;

- Bronze Award (Companies with S$1 billion and above in market capitalisation) for Best Investor Relations at the Singapore Corporate Awards 2019;

- Named 'Best Cargo Terminal Operator – Asia' at the 2020 Asian Freight, Logistics and Supply Chain (AFLAS) Awards;

- 'Best Cargo Handling Operation Award' at GHI's Pride of Ground Handling Awards 2020;

- Airline Caterer of the Year – Asia by Pax International Asia for the fifth consecutive year in 2022;

- "Best Ground Handling Service – AISATS" by Wings India Awards 2022;

- "Sustainable Warehouse Operator of the Year 2022 – Asia Airfreight Terminal (AAT), Hong Kong" by Freightweek Sustainability Awards;

- AVA Food Safety Partner (since 2010 and status is subject to renewal every two years);

- Global Ground Handler of the Year and Global Handler of the Year in the Asia Pacific category – Payload Asia Awards 2022;

- Best Air Cargo Terminal Operator in Asia at the 2023 Asian Freight, Logistics and Supply Chain (AFLAS) awards organised by Asia Cargo News; and

- Global Ground Handler of the Year, Global Handler of the Year in the Asia Pacific category and Cold Chain Service Provider of the Year – Payload Asia Awards 2023.

Corporate governance Awards

- Being awarded one of the top 50 publicly listed companies in ASEAN, as well as one of the top two publicly listed Singapore companies with outstanding achievement, at the inaugural ASEAN Corporate Governance Awards 2015, organised by the Philippine Securities and Exchange Commission;

- the Bronze Award for the "Best Managed Board" category of the Singapore Corporate Awards 2017 for companies with S$1 billion and above in market capitalisation;

- the Gold Award for the "Best Managed Board" category of the Singapore Corporate Awards 2018 for companies with S$1 billion and above in market capitalisation;

- the "Best Chief Executive Officer" award at the Singapore Corporate Awards 2018 for companies with S$1 billion and above in market capitalisation;

- 5th best-governed and transparent Singapore-listed company at the Singapore Governance and Transparency Index 2018;

- "Most Transparent Company Award, Services" at the 19th Securities Investors Association (Singapore) Investors' Choice Awards;

- Winner of the Corporate Excellence & Resilience Award, Singapore Corporate Awards 2020/2021 Special Edition;

- Winner of the Silver and Bronze Awards for Innovation in Publications for SATS FY 2019 and FY 2020 Annual Reports respectively;

- Winner of the Singapore Corporate Governance Award (Diversity category), SIAS Investors' Choice Awards 2021;

- Runner-up for the Shareholder Communications Excellence Award (Big Cap category), SIAS Investors' Choice Awards 2021;

- Best-governed and transparent Singapore-listed company at the Singapore Governance and Transparency Index (SGTI) in 2021 for the second year running;

- Runner-up for Singapore Corporate Governance Award, Diversity Category, in SIAS Investors' Choice Awards 2022;

- Winner of the Gold Award for Best Investor Relations and Silver Award for Best Managed Board in the Big Caps category in the Singapore Corporate Awards 2022;

- Winner of the Gold Award for Best Investor Relations and Silver Award for Best Managed Board in the Big Caps category in the Singapore Corporate Awards 2022; and

- Winner of the Singapore Corporate Governance Award (Diversity Category), in SIAS Investors' Choice Awards 2023.

11. LICENCES/PATENTS/RIGHTS OWNED OR USED BY THE GROUP

The Group has obtained a number of operating licences relating to its businesses.

As regards its Gateway Services business and in-flight catering sector, the Group's key operating licences are for the provision of ground handling, airline catering and aviation security services at Singapore Changi Airport issued by CAG. The licences issued by CAG are granted for periods of 10, 20 and five years respectively, and may be renewed.

The Group also holds, through Subsidiaries such as WFS, a number of licenses, permits, authorisations, concessions and certifications which are granted by local civil aviation authorities and operators of various airports in each of the jurisdictions in which it operates. Without such licenses and permits, the Group cannot provide handling services for its customers.

As regards its Food Solutions business, through the acquisition of Singapore Food Industries in 2009, the Group holds the only abattoir and hog auction licence granted by the AVA.

SATS has been awarded patents by the Singapore Registry of Patents for its tow hitch system and its safety ladder, both of which serve to minimise work injury incidents, as well as a patent for its novel 'Ramp Services Control System and Method' invention which incorporates the use of smart watches and bone-conduction headsets.

A number of trademarks are used in the Group's businesses, including but not limited to SATS' 'SATS' trademarks, which have been registered in Singapore, Vietnam, the UK, the

UAE, Taiwan, Saudi Arabia, Philippines, the Maldives, Malaysia, Macau, Japan, Indonesia, India, Hong Kong, PRC, Brunei Darussalam and Australia. WFS, in particular, also uses a number of trademarks in its business, which have been registered in the jurisdictions in which it operates. The WFS brand itself is also protected as it has a significant value on the balance sheet. WFS also holds software and other technology licenses.

With the acquisition of SATS Food Services (formerly known as Singapore Food Industries), the Group also holds a range of trademarks relating to its various food businesses and retail product lines in Singapore and other countries.

12. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group's sustainability framework is built upon three core themes: (i) develop smart infrastructure to reduce the Group's environmental impact; (ii) reduce and process food and packaging waste sustainably; and (iii) nurture skills for the future which enable people and communities to fulfil their fullest potential.

Developing Smart Infrastructure

The Group is committed to building and deploying smart infrastructure that includes airport ground support equipment ("**GSE**") and facilities, so as to reduce the Group's environmental impact. To date, the Group (pre-WFS acquisition) has converted around 38% of its GSE at the Singapore Hub to electric models, including 298 tractors, 150 forklifts, and 2 aircraft pushback tractors. The Group strives to achieve 100% conversion of its GSEs in Singapore to sustainable energy resources (such as through electrification) by 2030, subject to commercial availability of such equipment and coordination with other Changi ecosystem stakeholders.

Additionally, the Group (pre-WFS acquisition) has also expanded the installation of rooftop solar panels across their premises which will help generate more than 10,000 MWh annually. The Group has also introduced carbon intensity as an operational metric tied to management remuneration. These efforts form cumulative steps which contribute to the Group's target of eventually reducing their Singapore-based Scope 1 and 2 carbon footprints by 50% by year 2030, as compared against the baseline figures collected in FY2020.

Reduce Food and Packaging Waste

Besides deploying smart infrastructure to reduce carbon footprint, the Group is also committed to reducing food and packaging waste in their operations.

For example, the Group has commissioned a proof-of-concept trial for an anaerobic digestion system at its catering facility. The anaerobic digester can recover some energy (such as in the forms of heat and electricity) stored in food waste before it is sent to end-of-life treatment facilities. The Group has also deployed a food composting machine in the Maldives capable of processing up to 500 kg of waste daily and converting food and horticultural waste into fertilisers in 24 hours. These initiatives form part of the Group's eventual goal of reducing food waste intensity in Singapore operations by 50% by 2028, as compared against the baseline figures in 2021.

The Group has also introduced, through its Subsidiary, Twyst, an F&B concept utilising sustainable bowls and lids which are plastic-free and made from reclaimed and rapidly renewable sugarcane pulp for both dine-in and takeaway orders. On this front, the Group targets to introduce 100% sustainable food packaging by 2030.

Nurturing Skills for the Future

The Group is also committed to developing and sharing culinary, nutritional, service and technological expertise with the wider community, and also to nurture its employees with skills for the future. For example, as at FY2023, the Group (pre-WFS acquisition) has shared their expertise with communities numbering up to a cumulative 442,790 individuals (counting since FY2019).

By the year 2030, the Group targets to impact up to a cumulative one million individuals through the sharing of its expertise with the wider communities in which it operates.

DIRECTORS AND MANAGEMENT

Board of Directors

As at the date of this Offering Circular, the Directors of SATS are set forth below:

Name	Position
Euleen Goh Yiu Kiang	Chairman and Non-Executive Independent Director
Kerry Mok Tee Heong	President and Chief Executive Officer and Executive Director
Achal Agarwal	Non-Executive and Independent Director
Vinita Bali	Non-Executive and Independent Director
Chia Kim Huat	Non-Executive and Independent Director
Eng Aik Meng	Non-Executive and Independent Director
Jenny Lee Hong Wei	Non-Executive and Independent Director
Mak Swee Wah	Non-Executive and Independent Director
Deborah Ong	Non-Executive and Independent Director
Pier Luigi Sigismondi	Non-Executive and Independent Director
Jessica Tan Soon Neo	Non-Executive and Independent Director
Dr Detlef Trefzger	Non-Executive and Independent Director

Ms Euleen Goh Yiu Kiang
Chairman, Non-Executive and Independent Director

Ms Goh is the Chairman of the Board. She is also the Chairman of the Board Executive Committee and the Remuneration and Human Resource Committee, and a member of the Nominating Committee. Ms Goh was appointed as a Director in August 2013 and assumed her current role as Chairman of the Board on 19 July 2016.

Prior to that, Ms Goh held various leadership roles in Standard Chartered Bank, including Chief Executive Officer, Singapore, as well as Group Head of Corporate and Institutional Banking Sales.

Ms Goh has also served as a Non-Executive and Non-Independent Director of DBS Group Holdings Ltd ("**DBS Group**"). Whilst Ms Goh retired from DBS Group as a non-independent director, for the most part of the tenure, she served as an independent director. Ms Goh was also a Non-Executive and Independent Director of CapitaLand Limited. She has recently retired from her positions as a Non-Executive Director, Deputy Chair and Senior Independent Director from Shell plc, as well as from her role as a Non-Executive Director at Singapore Health Services Pte. Ltd.

Ms Goh is currently the Chairman of the DBS Foundation Ltd. and the Singapore Institute of Management Group Limited. She is also a member of the Public Service Commission.

Ms Goh qualified as a Chartered Accountant in England and Wales and is a Member of the Chartered Institute of Taxation, UK, Associate Member of the Institute of Financial Services, UK, Fellow of the Institute of Singapore Chartered Accountants as well as Fellow of the Singapore Institute of Directors.

Mr Kerry Mok Tee Heong
Executive Director, President and Chief Executive Officer

Mr Mok is the President and Chief Executive Officer of the SATS Group. Appointed as Executive Director since 1 January 2022, Mr Mok is also a member of the Board Executive Committee. Mr Mok joined the SATS Group as Executive Vice President, Food Solutions in June 2018 and was appointed as the President and Chief Executive Officer on 15 December 2021. Prior to joining SATS, he was the Chief Executive Officer of YCH Group.

Mr Mok holds a Bachelor's degree in Business, Accounting with First Class Honours from Monash University, Melbourne, Australia.

Mr Achal Agarwal
Non-Executive and Independent Director

Mr Agarwal joined SATS's Board as a Non-Executive and Independent Director in September 2016. He is a member of the Board Executive Committee and the Remuneration and Human Resource Committee.

He is currently a non-executive director of Amcor Plc and also a senior adviser for Accenture Pte. Ltd.

Mr Agarwal graduated with a Bachelor's degree with Honours in History from the University of Delhi. He also holds a Masters in Business Administration from the University of Delhi. Mr Agarwal has also attended the Advanced Management Programme at the Wharton Business School, United States.

Ms Vinita Bali
Non-Executive and Independent Director

Ms Bali joined SATS's Board as a Non-Executive and Independent Director in May 2021. She is a member of the Board Executive Committee and the Audit Committee.

She is currently a non-executive and independent director of Cognizant Technology Solutions Corporation, CRISIL Ltd and Syngene International Ltd. She is also the Strategic Advisor to Caraway Pte. Ltd. Prior to that, she served as a non-executive director at Bunge Ltd and Smith & Nephew plc.

Ms Bali graduated with a Bachelor's degree in Economics from the Delhi University. She also holds a Masters in Management Studies from the Jamnalal Bajaj Institute of Management Studies, Bombay University.

Mr Chia Kim Huat
Non-Executive and Independent Director

Mr Chia joined SATS's Board as a Non-Executive and Independent Director in March 2017. He is a member of the Board Risk and Safety Committee and the Nominating Committee.

He is currently a partner in Rajah and Tann Singapore LLP. He also holds the position of non-executive and independent director of CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd. (The Managers of CapitaLand Ascott Trust).

Mr Chia holds a Bachelor of Law (Honours) degree from the National University of Singapore.

Mr Eng Aik Meng
Non-Executive and Independent Director

Mr Eng joined SATS's Board as a Non-Executive and Independent Director in April 2023. He is a member of the Remuneration and Human Resource Committee.

Mr Eng is the Co-Founder of TE Asia Healthcare Partners and Group Chief Executive Officer of TE Healthcare Advisory Pte Ltd. He currently serves as a Senior Advisor at TPG Capital, where he has held various directorships in TPG Capital's portfolio companies. Mr Eng is also an independent director and a member of the investment committee of 65 Equity Partners Pte Ltd.

Prior to that, Mr Eng was the Group Chief Operating Officer of Fortis Healthcare International. He has also held various leadership positions at Neptune Orient Lines Limited.

Mr Eng holds a Bachelor of Accountancy (Honours) from Nanyang Technological University and a Master of Business Administration (MBA) from Harvard University.

Ms Jenny Lee Hong Wei
Non-Executive and Independent Director

Ms Lee joined SATS's Board as a Non-Executive and Independent Director in January 2019.

She is currently an independent director of Temasek Holdings (Private) Limited. She is also a managing partner at GGV Capital, a venture capital firm with investments globally. Additionally, she serves as a director on the boards of certain companies as part of her functions as a managing partner of GGV Capital. These entities are investee companies of GGV Capital. She is also a member of Singapore's Research, Innovation and Enterprise Council (RIEC).

Ms Lee holds a Master and Bachelor of Science in Electrical Engineering from Cornell University as well as a Master of Business Administration from Kellogg School of Management, Northwestern University.

Mr Mak Swee Wah
Non-Executive and Independent Director

Mr Mak joined SATS's Board as a Non-Executive and Independent Director in September 2023. He is a member of the Audit Committee.

Mr Mak was the Executive Vice President Operations and Chief Operations Officer of SIA. Prior to that, Mr. Mak held various senior management positions in the marketing, planning and operational areas in SIA.

He was also a Non-Executive Director of SIA Engineering Company Limited.

Mr Mak holds a Masters Degree in Science, majoring in Operational Research, and a Bachelor of Science (First Class Honours) in Accounting & Finance from the London School of Economics and Political Science.

Mrs Deborah Ong
Non-Executive and Independent Director

Mrs Ong joined SATS's Board as a Non-Executive and Independent Director in November 2020. She is the Chairman of the Audit Committee and a member of the Board Risk and Safety Committee.

She is a Board Member of the Monetary Authority of Singapore, the Lee Kong Chian School of Medicine Governing Board at Nanyang Technological University, Workforce Singapore and SkillsFuture Singapore. She is also a member of The Judicial Services Commission.

Mrs Ong holds a Bachelor of Accountancy (Honours), from the National University of Singapore. She is also a fellow in the Institute of Singapore Chartered Accountants and Certified Practising Accountants (CPA) Australia.

Mr Pier Luigi Sigismondi
Non-Executive and Independent Director

Mr Sigismondi joined SATS's Board as a Non-Executive and Independent Director in September 2023. He is a member of the Board Risk and Safety Committee.

Mr Sigismondi was the President and Executive Vice President of Dole Sunshine Company. Prior to that, he was an Executive Board Member – Chief Supply Chain Officer, and subsequently the President for Southeast Asia and Australasia region at Unilever Plc.

He has also served as Non-Executive Director of Rexel SA Supervisory Board and was a Board Member of Ben & Jerry's. He also served as a Board Member of the Singapore Food Agency and a member of Future Economic Council for Resource and Environmental Sustainability.

Mr Sigismondi is currently the Executive Chairman of Sustenir Group.

Mr Sigismondi holds a Master of Science in Industrial Engineering from the Georgia Institute of Technology, Atlanta and a degree in Computer Science and Systems Engineering from Universidad Simon Bolivar in Venezuela. Mr Sigismondi has also attended the Executive Program at the Singularity University and also the C-Suite Business & Leadership Executive Program at the Harvard Business School.

Ms Jessica Tan Soon Neo
Non-Executive and Independent Director

Ms Tan joined SATS's Board as a Non-Executive and Independent Director in April 2017. She is the Chairman of the Nominating Committee and a member of the Audit Committee.

In the political scene, she serves as a Member of Parliament for East Coast GRC and the Deputy Speaker of Parliament. She is currently a Lead Independent Director of CapitaLand India Trust Management Pte. Ltd. (in its capacity as the trustee-manager of CapitaLand India Trust) and a non-executive director of Mitsui & Co., Ltd.

Ms Tan holds a Bachelor of Social Sciences (Honours) degree and Bachelor of Arts (Economics and Sociology) degree from the National University of Singapore.

Dr Detlef Trefzger
Non-Executive and Independent Director

Dr Trefzger joined SATS's Board as a Non-Executive and Independent Director in April 2023. He is the Chairman of the Board Risk and Safety Committee.

Dr Trefzger is the Founder and Chairman of Larix Equity AG since July 2022 and is currently a member of the Board of Directors of Accelleron Industries AG, Switzerland, easyJet plc, United Kingdom and PSA International Pte. Ltd., Singapore. He is also an Operating Advisor to Clayton, Dubilier & Rice, LLC, USA.

Dr Trefzger was formerly the Chief Executive Officer of Kuehne + Nagel International AG from 2013 to 2022 for nine consecutive years, and has acted as an Executive Vice President of Contract Logistics. Prior to that, Dr Trefzger had spent fifteen years at DB Schenker in various executive positions, including as Executive Vice President of Global Logistics and Supply Chain Management. Dr. Trefzger started his career with Siemens AG, in the Industrial and Building Systems Division, followed by Roland Berger & Partners.

Dr Trefzger holds a Ph.D. from Vienna University of Business Administration & Economics.

Senior Management

Mr Kerry Mok Tee Heong
Executive Director, President and Chief Executive Officer

Mr Mok is the President and Chief Executive Officer of SATS. He joined the company in June 2018. Prior to this, he was the Chief Executive Officer of YCH Group.

Mr Mok is a seasoned executive with more than 25 years of experience in supply chain management and logistics. He held various senior appointments prior to his move to YCH Group, including his role in Goodpack Limited as the acting Chief Executive Officer and Chief Operating Officer. Before that, he held the position of Managing Director, Strategy – Operations and was also head of the ASEAN Supply Chain Strategy practice for Accenture. Mr Mok was also previously Senior Vice President – Global Head of Technology Sector and APAC Technology Sector & Service Logistics with DHL, accountable for the strategy and growth of the Global Technology Sector for DHL Supply Chain.

Mr Mok has been an active contributor to tripartite initiatives. He is a member of the Future Economy Council's Connectivity Sub-Committee since 7 January 2022 and served on the Ministry of Communication and Information's Infocomm Media Master Plan 2025 working group. He is also a member of the International Advisory Panel for Sustainable Air Hub.

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

Mr Manfred Seah Kok Khong
Chief Financial Officer

Mr Seah joined SATS as Chief Financial Officer in September 2017. He oversees the group's finance operations which include strategic financial management, group treasury and insurance, investor relations, investment monitoring, group procurement and property management.

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

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

Mr Seah sits on numerous boards of SATS Subsidiaries and associate companies. Manfred graduated with Bachelor of Science (First Class Honours) in Mathematics from Queen Mary College, University of London and obtained his Master's degree in Business Administration from the London Business School. He qualified as a Chartered Accountant in the UK, and has been conferred an Advanced Diploma in Corporate Finance (CF) and Fellow of the Institute of Chartered Accountants in England and Wales (FCA).

Mr François Mirallié
Deputy Chief Executive Officer WFS

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

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

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

Mr Tan Chuan Lye
Chairman, Food Solutions

Mr Tan is the Chairman, Food Solutions of SATS since January 2014. Prior to this, he was its President and Chief Executive Officer from April 2012 to December 2013.

Mr Tan joined SATS in May 1976. In a career spanning over 40 years, he has held managerial positions in SIA Ground Services and SATS Airport Services Pte Ltd, and was responsible for both SIA's and SATS' Changi Airport Terminal 2 operations. He was SATS' Executive Vice President, Food Solutions from October 2009 to March 2012, overseeing and growing its aviation and non-aviation food businesses.

Mr Tan is the Chairman of SATS Food Services Pte. Ltd., SFI Manufacturing Private Limited, and SATS Delaware North Pte. Ltd.

Mr Tan sits on various Boards of SATS' Subsidiaries and associate companies. He graduated from the University of Singapore with a Bachelor of Social Science (Honours) degree, majoring in Economics.

Mr Stanley Goh
Chief Executive Officer, Food Solutions

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

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

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

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

Mr Bob Chi
Chief Executive Officer, Gateway Services

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

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

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

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

Mr Michael Simpson
Chief Executive Officer, Americas WFS

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

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

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

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

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

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

Ms Tan Chee Wei
Chief Human Capital Officer

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

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

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

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

Mr Henry Low
Chief Operating Officer

Mr Low joined SATS as Global Head, Special Projects in October 2022 where he was responsible for strategic projects vital to the Group's long-term growth and profitability, leading integration programmes within acquisitions to realise business synergies and driving operations excellence at a corporate level. In June 2023, Mr Low was appointed Chief Operating Officer where he oversees key corporate functions including Technology, Data & Analytics, Operational Excellence, Safety, Risk Management and Integration Management.

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

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

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

Ms Véronique Cremades-Mathis
Chief Strategy and Commercial Officer

Ms Cremades-Mathis was appointed Chief Strategy and Commercial Officer of SATS in October 2022. She is responsible for Strategy, Growth Transformation (including Ventures), Corporate Branding, Network Marketing, as well as the SATS Global Innovation Centre. Ms Cremades-Mathis joined the company in October 2021 as Global Head of Strategic Transformation and Market Channel Development.

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

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

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

Mr Ian Chye
Chief Legal Officer

Mr Chye joined SATS as Chief Legal Officer and was appointed Company Secretary in October 2022. He is responsible for the Group's legal and corporate secretariat functions.

Before joining SATS, Mr Chye was General Counsel at private equity firm Clermont Group where he provided strategic counsel on legal, corporate governance and compliance as well as led all M&A and venture capital activity globally.

Mr Chye is a seasoned legal professional with experience in both private practice and in-house leadership roles, with broad expertise in corporate advisory, public and private M&A, competition law, and structured finance. Prior to Clermont Group, Mr Chye spent significant time with Cargill where he was responsible for its Asia-Pacific M&A activity as lead lawyer amongst other internal leadership roles.

Mr Chye holds a Bachelor of Laws from the University of Leeds, a Postgraduate Diploma in Singapore Law from the National University of Singapore, and a Postgraduate Diploma in Economics for Competition Law from King's College London.

TAXATION

*The statements below are general in nature and the statements in respect of Singapore taxation below are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and MAS in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. It should be noted that as of the date of this Offering Circular, the Income Tax (Qualifying Debt Securities) Regulations have not been amended to reflect the amendments made to the ITA in respect of the qualifying debt securities ("**QDS**") scheme pursuant to the Income Tax (Amendment) Act 2023. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Instruments or of any person acquiring, selling or otherwise dealing with the Instruments or on any tax implications arising from the acquisition, sale or other dealings in respect of the Instruments. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Instruments and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Instruments are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Instruments, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Guarantor, the Joint Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Instruments.*

*In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Securities as "debt securities" for the purposes of the ITA and that distribution payments made under each tranche of the Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, **provided that** the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Securities is not regarded as "debt securities" for the purposes of the ITA, any distribution payment made under any tranche of Securities is not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Securities.*

Singapore Taxation

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is the prevailing corporate tax rate, currently 17.0 per cent. The applicable rate for non-resident individuals is 22.0 per cent prior to the year of assessment 2024, and 24.0 per cent thereafter. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

References to "early redemption fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

The terms "**early redemption fee**" and "**redemption premium**" are defined in the ITA as follows:

"**early redemption fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities; and

"**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities.

As the Programme as a whole is arranged by DBS Bank Ltd. and Oversea-Chinese Banking Corporation, each of which is a Financial Sector Incentive (Standard Tier) Company or a Financial Sector Incentive (Capital Market) Company (as defined in the ITA) and a Specified Licensed Entity, any tranche of the Instruments issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2028 (the "**Relevant Instruments**") would be QDS for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Instruments in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Instruments as MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Instruments of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Relevant Instruments is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for QDS shall not apply if the non-resident person acquires the Relevant Instruments using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the "**Specified Income**") from the Relevant Instruments, paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Instruments are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Instruments in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Instruments as MAS may require), Specified Income from the Relevant Instruments paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore, other than any non-resident who qualifies for the tax exemption as described in paragraph (i) above, is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Instruments a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Relevant Instruments is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Instruments in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Instruments as MAS may require,

payments of Specified Income derived from the Relevant Instruments are not subject to withholding of tax by the Issuer.

The term "Specified Licensed Entity" means any of the following persons:

(a) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(b) a finance company licensed under the Finance Companies Act 1967 of Singapore;

(c) a person who holds a capital markets services licence under the Securities and Futures Act 2001 of Singapore to carry on business in the regulated activities of advising on corporate finance or dealing in capital markets products; or

(d) such other persons as may be prescribed by rules made under Section 7 of the ITA.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Instruments, the Relevant Instruments of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Instruments is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Instruments would not qualify as QDS; and

(B) even though a particular tranche of Relevant Instruments are QDS, if, at any time during the tenure of such tranche of Relevant Instruments, 50.0 per cent. or more of such Relevant Instruments which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived from such Relevant Instruments held by:

(I) any related party of the Issuer; or

(II) any other person where the funds used by such person to acquire such Relevant Instruments are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person (*A*), means any person (a) who directly or indirectly controls *A*; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly under the control of a common person.

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium (i.e. the Specified Income) is derived from the Relevant Instruments by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Instruments using the funds and profits of such person's operations through a permanent establishment in Singapore. Notwithstanding that the Issuer is permitted to make payments of Specified Income in respect of the Relevant Instruments without deduction or withholding of tax under Section 45 or Section 45A of the ITA, any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, early redemption fee or redemption premium (i.e. the Specified Income) derived from the Relevant Instruments is not exempt from tax is required to include such income in a return of income made under the ITA.

Taxation relating to payments on Securities

Singapore tax classification of hybrid instruments

The ITA currently does not contain specific provisions on how financial instruments that exhibit both debtlike and equity-like features, i.e. hybrid instruments, should be treated for income tax purposes. However, the IRAS has published the e-Tax Guide: Income Tax Treatment of Hybrid Instruments (Second Edition) on 21 October 2019 (the "**Hybrid Instruments e-Tax Guide**") which sets out the income tax treatment of hybrid instruments, including the factors that the IRAS will generally use to determine whether such instruments are debt or equity instruments for income tax purposes.

Among others, the IRAS has stated in the Hybrid Instruments e-Tax Guide that:

(a) whether or not a hybrid instrument will be treated as debt or equity security for income tax purposes will firstly depend on its legal form, to be determined based on an examination of the legal rights and obligations attached to the instrument;

(b) a hybrid instrument is generally characterised as equity if the legal terms of the instrument indicate ownership interests in the issuer. If the legal form of a hybrid instrument is not indicative of or does not reflect the legal rights and obligations, the facts and circumstances surrounding the instrument and a combination of factors, not limited to the following, would have to be examined to ascertain the nature of the instrument for income tax purposes.

These factors include (but are not limited to):

(i) nature of interest acquired;

(ii) investor's right to participate in the issuer's business;

(iii) voting rights conferred by the instrument;

(iv) obligation to repay the principal amount;

(v) payout;

(vi) investor's right to enforce payment;

(vii) classification by other regulatory authority; and

(viii) ranking for repayment in the event of liquidation or dissolution;

(c) if a hybrid instrument is characterised as a debt instrument for income tax purposes, distributions from the issuer to the investors are regarded as interest; and

(d) if a hybrid instrument issued by a company or a REIT (as defined in the ITA) is characterised as an equity instrument for income tax purposes, distributions from the issuer to the investors are regarded as either dividends or distributions.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Instruments will not be taxable in Singapore. However, any gains derived by any person from the sale of the Instruments which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

There are no specific laws or regulations which deal with the characterisation of capital gains. The characterisation of the gains arising from a sale of the Instruments will depend on the individual facts and circumstances of the holder and relating to the sale of the Instruments.

Holders of the Instruments who apply or who are required to apply the Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Instruments, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Instruments is made. Please see the section below on "Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes".

3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued an e-Tax Guide entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 (as the case may be) for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued an e-Tax Guide entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Instruments who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Instruments.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Proposed Financial Transaction Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of Instruments should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Instruments where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including: (a) by transacting with a person established in a participating Member State or; (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Instruments are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Instruments, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Instruments, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Instruments, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Instruments issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Instruments (as described under Condition 19 of the Notes and Condition 16 of the Securities) that are not distinguishable from previously issued Instruments are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Instruments, including the Instruments offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Noteholders and Securityholders should consult their own tax advisers regarding how these rules may apply to their investments in the Instruments. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Instruments, no person will be required to pay additional amounts as a result of the withholding.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Instruments which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Instruments that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned Subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Instruments which are accepted for clearance by CDP, the entire issue of the Instruments is to be held by CDP in the form of a Global Security or a Global Note for persons holding the Instruments in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Instruments between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Instruments through the Depository System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Instruments in direct securities accounts with CDP, and who wish to trade Instruments through the Depository System, must transfer the Instruments to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payments of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Instruments in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the CDP Principal Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Instruments held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SUBSCRIPTION AND SALE

The Dealers have, in the Dealer Agreement dated 17 November 2023, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Instruments. Any such agreement will extend to those matters stated (in the case of Notes) under "*Form of the Notes*" and "*Terms and Conditions of the Notes*" or (in the case of Securities) under "*Form of the Securities*" and "*Terms and Conditions of the Securities*". In the Dealer Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Instruments under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

The Joint Arrangers, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for each of the Company and the Issuer and/or their respective affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Company and the Issuer and/or their respective affiliates in the ordinary course of the Company's or the Issuer's business. The Issuer may from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third parties (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its Subsidiaries, jointly controlled entities or Associated Companies and may be paid fees in connection with such services from time to time.

In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its Subsidiaries, jointly controlled entities or Associated Companies, including Instruments issued under the Programme, may be entered into at the same time or proximate to offers and sales of Instruments or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Instruments. Instruments issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes whether or not with a view to later distribution. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

United States

The Instruments have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and Bearer Instruments are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered or sold within the United States. Each of the Dealers has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or in the case of Bearer Instruments deliver the Notes within the United States. In addition, until 40 days after the commencement of any offering, an offer or sale of Instruments from that offering within the United States by any dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

If the Pricing Supplement in respect of any Instruments includes a legend entitled "Prohibition of Sales to EEA Retail Investors", each Dealer has represented, warranted and agreed, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**");

(b) a customer within the meaning Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or

(c) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"),

Public Offer Selling Restriction under the Prospectus Regulation

If the Pricing Supplement in respect of any Instruments does not include a legend entitled "Prohibition of Sales to EEA Retail Investors", in relation to each Member State of the European Economic Area, each Dealer has represented, warranted and agreed that it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State, except that it may make an offer of such Instruments to the public in that Member State:

(a) *Qualified investors:* at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) *Fewer than 150 offerees:* at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) *Other exempt offers:* at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Instruments referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Instruments to the public**" in relation to any Instruments in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

Prohibition of Sales to UK Retail Investors

If the Pricing Supplement in respect of any Instruments includes the legend "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement to any retail investor in the United Kingdom. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**");

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

If the Pricing Supplement in respect of any Instruments does not include the legend "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed that it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement to the public in the United Kingdom except that it may make an offer of such Instruments to the public in the United Kingdom:

(A) *Qualified investors:* at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(B) *Fewer than 150 offerees* at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) *Other exempt offers:* at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Instruments referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Instruments to the public**" in relation to any Instruments means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other UK regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) ***No deposit-taking:*** in relation to any Instruments which have a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Instruments other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) ***Financial promotion:*** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) ***General compliance:*** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

Japan

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Dealer represents, warrants and agrees that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Instruments in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan., and "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Hong Kong

Each Dealer has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Instruments other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Instruments, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Instruments which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the SFO and any rules made under the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged that the Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Instruments or caused the Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell any Instruments or cause the Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Instruments, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore.

Where the Instruments are subscribed or purchased under Section 275 of the SFA by an accredited investor which is:

(a) a corporation the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred (where such transfer may be regarded as an offer of specified products subject to MAS Notice (No. SFA 04-N21) on Business Conduct Requirements for Corporate Advisers) within six months after that corporation or that trust has acquired the Instruments pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to an accredited investor;

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law.

PRC

Each of the Dealers has represented, warranted and undertaken that the Instruments are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the laws of the PRC.

General

Each Dealer has represented and agreed that it has complied and will (to the best of its knowledge and belief) comply with all applicable laws and regulations in each country or jurisdiction, including but not limited to any licensing requirements in the relevant jurisdictions in which it purchases, offers, sells or delivers Instruments or has in its possession or distributes the Offering Circular or any Pricing Supplement or any related offering material, in all cases at its own expense.

None of the Issuer, the Guarantor, the Trustee and the Dealers represents that Instruments may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Selling restrictions may be supplemented or modified with the agreement of the Issuer and the Guarantor. Any such supplement or modification may be set out in the relevant pricing supplement (in the case of a supplement or modification relevant only to a particular Tranche of Instruments) or in a supplement to this Offering Circular.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of the Instruments under the Programme have been duly authorised by the Issuer and the guarantee of the Instruments under the Programme has been duly authorised by the Guarantor.

Listing

Approval in-principle has been obtained from the SGX-ST in connection with the Programme and application will be made to the SGX-ST for permission to deal in, and for a quotation of, any Instruments that may be issued pursuant to the Programme and that are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Instruments have been admitted to the Official List of the SGX-ST. The SGX-ST takes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein or the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents herein. The approval-in-principle from, and the admission of any Instruments to the Official List of, the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, the Programme or the Instruments. Unlisted Instruments may be issued under the Programme.

The relevant Pricing Supplement in respect of any Series will specify whether or not such Instruments will be listed and, if so, on which exchange(s) the Instruments are to be listed. For so long as any Instruments are listed on the SGX-ST and the rules of the SGX-ST so require, the Instruments will trade on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

Clearing systems

The Instruments to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Instruments allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. In addition, the Issuer may also apply to have the Instruments accepted for clearance through CDP. If the Instruments are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of CDP is #01-19/20 The Metropolis, 9 North Buona Vista Drive, Singapore 138588.

Conditions for determining price

The price and amount of Instruments to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

No material adverse change

Save as disclosed in this Offering Circular, there has been no material adverse change in the financial or trading position of the Group since 30 September 2023.

Litigation

Save as disclosed in this Offering Circular, none of the Issuer, the Guarantor or any other member of the Group is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened) of which the Issuer or the Guarantor is aware which may in the opinion of the Issuer or the Guarantor have, or have had in the 12 months preceding the date of this Offering Circular, a material adverse effect on the financial position of the Issuer, the Guarantor or the Group.

Auditors

The Guarantor's auditors are KPMG LLP, who have audited the Group's accounts (prepared in accordance with SFRS(I)), without qualification, in accordance with Singapore Standards on Auditing for the financial years ended 31 March 2022 and 31 March 2023.

Neptune Holdings 4's independent auditors were PricewaterhouseCoopers Audit, who have audited Neptune Holdings 4's special-purpose consolidated accounts (prepared in accordance with French GAAP), without qualification, in accordance with International Standards on Auditing for the financial years ended 31 December 2021 and 2022.

The reports of the auditors of the Guarantor and Neptune Holdings 4 are included or incorporated in the form and context in which they appear in this Offering Circular, with the consent of the auditors.

Legal Entity Identifier

The Legal Entity Identifier of the Issuer is 254900I8S3NS01XMTR57.

Documents

So long as Instruments may be issued under the Programme and upon prior written request and proof of holding, copies of the following documents will, when published, be available for inspection at the specified office of the Principal Paying Agent to the relevant holder free of charge:

(i) the constitutional documents of the Guarantor and the Issuer;

(ii) the most recently published and publicly available audited financial statements of the Group (together with the audit reports in connection therewith) and the most recently published and publicly available unaudited consolidated financial statements of the Group;

(iii) the Trust Deed, (which includes the forms of the Global Notes and the Global Securities, the Instruments in definitive form, the Coupons and the Talons) and the Agency Agreement;

(iv) a copy of this Offering Circular; and

(v) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note or Securities will only be available for inspection by a holder of such Note or Securities and such holder must produce evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding of Instruments and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

INDEX TO CONSOLIDATED FINANCIAL INFORMATION

SATS Ltd. and its subsidiaries
Registration Number: 197201770G

Annual Report
Year ended 31 March 2022

SATS LTD. AND ITS SUBSIDIARIES

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 2022.

1. OPINION OF THE DIRECTORS

In the opinion of the Directors:

(a) The financial statements set out on pages 12 to 111 give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 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, authorized 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
Kerry Mok Tee Heong	Appointed on 1 January 2022
Achal Agarwal	
Vinita Bali	
Chia Kim Huat	
Michael Kok Pak Kuan	
Jenny Lee Hong Wei	
Jessica Tan Soon Neo	
Tan Soo Nan	
Deborah Tan Yang Sock	
Yap Kim Wah	

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 as stated below:

	Direct interest		Deemed interest	
Name of Director	At the beginning of financial year or date of appointment	At the end of financial year	At the beginning of financial year or date of appointment	At the end of financial year
Ordinary shares[1]				
Euleen Goh Yiu Kiang	85,974	102,174	–	–
Kerry Mok Tee Heong	89,500	89,500	–	–
Achal Agarwal	44,100	51,400	–	–
Chia Kim Huat	16,090	22,590	–	–
Michael Kok Pak Kuan	15,300	22,600	–	–
Jenny Lee Hong Wei	7,400	11,300	–	–
Jessica Tan Soon Neo	15,100	22,300	–	–
Tan Soo Nan	43,500	50,900	4,088	4,088
Deborah Tan Yang Sock	–	2,200	–	–
Yap Kim Wah	15,400	23,100	–	–
Award under SATS Restricted Share Plan ("RSP")				
Kerry Mok Tee Heong[2]	64,900	64,900	–	–
Award under SATS Performance Share Plan ("PSP")				
Kerry Mok Tee Heong[3]	262,500	262,500	–	–

(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, 72,500 shares were awarded and 40,900 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, 85,000 shares were awarded and 21,900 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 2022.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares, share options or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

5. SHARE-BASED PAYMENTS

Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

At the Extraordinary General Meeting of the Company held on 19 July 2005, the shareholders approved the adoption of two new share plans, namely the RSP and the PSP, in addition to the Share Option Plan. Both share plans which expired in July 2015 were subsequently approved during the 41st Annual General Meeting held on 23 July 2014 for further extension of 10 years to July 2025.

From FY2015-16 onwards, the RSP final number of award will range from 0% to 120% of the initial grant and is contingent on the achievement of pre-determined targets over a one-year peformance period and will vest equally over a three-year period. The PSP final number of award will range from 0% to 150% of the initial grant and is contingent on the achievement of pre-determined targets over a three-year performance period.

At the date of this report, the Remuneration and Human Resource Committee which administers the Share Option Plan, the RSP and PSP comprises the following Directors:

Euleen Goh Yiu Kiang	Chairman
Achal Agarwal	Member
Michael Kok Pak Kuan	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 65,700 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 2020 to 31 March 2021 in lieu of cash. The awards consisted of fully paid shares with no performance conditions attached and no vesting periods imposed.

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

RSP

	Number of restricted shares				
Date of grant	Balance at 01 April 2021/ Date of grant	Vested	Forfeited	Adjustment	Balance at 31 March 2022
24 June 2019	568,700	(560,400)	(7,100)	–	1,200
20 August 2020	658,200	(338,500)	(58,300)	–	261,400
25 August 2021	2,049,000	(689,500)	(173,500)	–	1,186,000
02 August 2021	435,750	(435,750)	–	–	–
10 August 2021	65,700	(65,700)	–	–	–
	3,777,350	(2,089,850)	(238,900)	–	1,448,600

5. SHARE-BASED PAYMENTS (cont'd)

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

PSP

	Number of performance shares				
Date of grant	Balance at 01 April 2021/ Date of grant	Vested	Forfeited	Adjustment #	Balance at 31 March 2022
14 December 2018	695,000	(304,700)	–	(390,300)	–
01 August 2019	635,000	–	(355,000)	–	280,000
20 August 2020	1,097,500	–	(450,000)	–	647,500
02 August 2021	890,000	–	(400,000)	–	490,000
	3,317,500	(304,700)	(1,205,000)	(390,300)	1,417,500

Adjustments due to the performance factor at the end of the performance period upon meeting stated performance targets.

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 $2.16 (2021: $1.35).

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 2022 were 1,448,600 (2021: 1,226,900) and 1,417,500 (2021: 2,427,500) for RSP and PSP respectively. Based on the achievement factor, the actual release of the awards is 1,448,600 (2021: 1,226,900) and zero to a maximum of 2,126,250 (2021: zero to maximum 3,641,250) fully paid ordinary shares of the Company, for RSP and PSP respectively.

For the current financial year, the Group has provided $7,606,000 (2021: $8,787,000) 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.

7. INTERNAL CONTROL STATEMENT

Taking into account the views of the Audit Committee (AC) and the Board Risk and Safety Committee (BRSC) 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 AC 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, 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 30 May 2022

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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 2022, 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 a summary of significant accounting policies, as set out on pages 12 to 111.

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 2022 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.

Impairment of goodwill

Refer to Note 2.14 'Impairment of non-financial and financial assets' and Note 3.2 'Impairment of non-financial assets' for relevant accounting policies and discussion of significant accounting estimates, and Note 16 'Intangible assets' for the key assumptions used in impairment testing of goodwill.

The key audit matter

The Group recognised goodwill which are allocated to the SATS Food Services, TFK Corporation, Ground Team Red Holdings, Nanjing Weizhou Airline Food Corp., Ltd, Monty's Bakehouse UK Limited, SATS Food Solutions (Thailand) Co., Ltd. and Asia Airfreight Terminal Co. Ltd. cash generating units ("CGUs") respectively as at 31 March 2022.

These CGUs are tested for impairment annually. Management applies the value-in-use (discounted cash flow) method to determine the recoverable amount of each CGU. Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses.

The recoverable amounts are determined based on estimates of forecasted revenue, growth rates, profit margins, tax rates and discount rates.

There is uncertainty in the current and future economic environment in which the Group operates arising from the ongoing COVID-19 outbreak. The Group's near term cashflows have been impacted and the duration and severity of the crisis is dependent on events which are continuously unfolding and are beyond the control of the Group.

As a result, there is a high degree of estimation uncertainty inherent in estimating the duration and severity of the economic downturn caused by the COVID-19 pandemic, and the pattern of any expected recovery. As a result, the estimates and assumptions used in the cashflow projections which form the basis of the recoverable amounts attributable to the CGUs require significant judgement. These judgements require estimates to be made over areas including those relating to forecasted revenues, growth rates, profit margins, discount rates for each CGUs and certain key aviation customers having to recapitalise for sustained operations post COVID-19 pandemic.

The determination of the recoverable amounts is a key focus area for our audit.

How the matter was addressed in our audit

We studied publicly available aviation industry reports relating to the impact COVID-19 pandemic has on the global aviation industry, to understand the possible recovery scenarios.

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. These estimates include those relating to revenue forecast, growth rates, profit margins and discount rates.

We challenged management's estimates applied in the value-in-use models based on our knowledge of the CGUs' operations, and compared them against historical forecasts and performance, regional indices and industry benchmarks. This included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers and the review of the secured and lost contracts.

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.

We assessed the arithmetical accuracy of the computations used in assessing the recoverable amount of the CGUs.

Findings

The COVID-19 pandemic has resulted economic uncertainty in the current and future economic environment. The key estimates applied in the value-in-use models such as revenue forecast, growth rates, profit margins and discount rates are subject to significant amounts of volatility and uncertainty. Nevertheless, we found the estimates applied in the value-in-use models to be reasonable in the context of currently available relevant information as at 31 March 2022.

Impairment of associates and joint ventures

Refer to Note 2.14 'Impairment of non-financial and financial assets' and Note 3.2 'Impairment of non-financial assets' for relevant accounting policies and discussion of significant accounting estimates, and Note 18 'Investment in associates' and Note 19 'Investment in joint ventures' for details of accounting for associates and joint ventures.

The key audit matter

The carrying value of associates and joint ventures amounted to $454.0 million (2021: $578.2 million), which accounted for 13.8% (2021: 18.7%) of the Group's total assets as at 31 March 2022.

Management determines at the end of each reporting period the existence of any objective evidence that indicate the Group's investments in associates or joint ventures may be impaired. If there are indicators of impairment, a detailed impairment assessment would be performed and any deficit between the recoverable amount of the associate or joint venture and its carrying value would be recognised in profit or loss.

The identification of different CGUs, assessment of indicators of impairment and where such indicators exist, the determination of the recoverable amounts of the CGUs require judgement. The determination of the recoverable amounts when value-in-use is applicable requires estimates of revenue forecast, growth rates, profit margins and discount rates.

Due to the high degree of estimation uncertainty inherent in assessing the duration and severity of the economic downturn caused by the COVID-19 pandemic and the pattern of any expected recovery, the estimates and assumptions used in the cashflow projections to determine the recoverable amounts of the CGUs require significant judgement. This is a key area of focus for our audit.

How the matter was addressed in our audit

We assessed the determination of the CGUs and the assessment of indicators of impairment based on our understanding of the nature of the Group's business and the economic environment in which its CGUs operate.

We studied recent analyst market reports to obtain an understanding of the actual growth rates and outlook of the industries in which the CGUs operate, including the impact of COVID-19 pandemic has on the global aviation industry, to understand the possible recovery scenarios. We reviewed the CGUs' historical and current performances, and held discussions with management to understand their assessment of the future performance of the CGUs.

Where indicators of impairment exist, we challenged management's revenue forecast, growth rates, profit margins, tax rates and discount rates based on our knowledge of the CGUs' operations, and compared them against historical forecasts and performance, regional indices and industry benchmarks. This included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers and the review of secured and lost contracts.

We performed sensitivity analyses to evaluate whether reasonable change in the key assumptions for any of the Group's CGUs would cause the carrying amounts to exceed the recoverable amounts.

Findings

The COVID-19 pandemic has resulted economic uncertainty in the current and future economic environment. Nevertheless, we found management's identification of CGUs and assessment of indicators of impairment to be appropriate. Where indicators of impairment existed, we found the estimates applied in the value-in-use models to be consistent with historical forecasts and reasonable in the context of currently available relevant information as at 31 March 2022.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to 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 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, 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.

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.

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.

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 Quek Shu Ping.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
30 May 2022

SATS LTD. AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2021-22 $'000	2020-21 $'000
Revenue	4	1,176,766	969,997
Expenditure			
Staff costs	5	(550,555)	(382,265)
Cost of raw materials		(311,148)	(269,787)
Licence fees		(16,282)	(19,949)
Depreciation and amortisation charges		(119,667)	(130,442)
Company premise and utilities expenses		(73,887)	(65,271)
Other costs		(147,854)	(112,394)
		(1,219,393)	(980,108)
Operating loss	6	(42,627)	(10,111)
Interest on borrowings	7	(17,065)	(20,509)
Interest income	7	3,285	4,816
Share of results of associates/joint ventures, net of tax		17,154	(47,986)
Other non-operating gain/(loss), net	8	12,152	(71,659)
Loss before tax		(27,101)	(145,449)
Income tax credit	9	31,432	36,152
Profit/(loss) for the year		4,331	(109,297)
Profit/(loss) attributable to:			
Owners of the Company		20,371	(78,929)
Non-controlling interests		(16,040)	(30,368)
		4,331	(109,297)
Earnings/(loss) per share (cents)			
Basic	10	1.8	(7.1)
Diluted	10	1.8	(7.0)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SATS LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	2021-22	2020-21
	$'000	$'000
Profit/(loss) for the year	4,331	(109,297)
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Actuarial (loss)/gain on defined benefit plan	(5,487)	5,591
Items that are or may be reclassified subsequently to profit or loss:		
Net fair value changes on financial assets	626	239
Foreign currency translation differences	27,567	(6,882)
	28,193	(6,643)
Other comprehensive income for the year, net of tax	22,706	(1,052)
Total comprehensive income for the year	27,037	(110,349)
Total comprehensive income attributable to:		
Owners of the Company	48,678	(78,178)
Non-controlling interests	(21,641)	(32,171)
Total comprehensive income for the year	27,037	(110,349)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SATS LTD. AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	Group 31.3.2022 $'000	Group 31.3.2021 $'000	Company 31.3.2022 $'000	Company 31.3.2021 $'000
Equity attributable to owners of the Company					
Share capital	12	367,947	367,947	367,947	367,947
Treasury shares	12	(8,481)	(18,798)	(8,481)	(18,798)
Share-based compensation reserve	13	4,878	9,442	4,878	9,442
Statutory reserve	13	13,506	13,502	–	–
Foreign currency translation reserve	13	(119,485)	(150,223)	–	–
Revenue reserve		1,368,752	1,348,986	1,345,013	1,305,292
Other reserves	13	(24,516)	(24,514)	(26,365)	(25,747)
		1,602,601	1,546,342	1,682,992	1,638,136
Non-controlling interests	17	231,106	152,458	–	–
Total equity		1,833,707	1,698,800	1,682,992	1,638,136
Non-current assets					
Property, plant and equipment	14	589,651	519,671	18,802	18,780
Right-of-use assets	14	312,827	187,716	59,522	63,336
Investment properties	15	–	497	147,650	173,025
Intangible assets	16	553,179	410,679	24,972	19,056
Investment in subsidiaries	17	–	–	923,753	753,983
Investment in associates	18	393,811	520,794	221,261	335,421
Investment in joint ventures	19	60,206	57,385	12,014	12,014
Long-term investments	20	14,577	14,541	6,060	6,060
Loan to subsidiaries	17	–	–	388,428	360,722
Loan to an associated company		2,152	–	2,152	–
Deferred tax assets	21	57,407	34,307	–	–
Other non-current assets	22	12,531	23,468	–	–
		1,996,341	1,769,058	1,804,614	1,742,397
Current assets					
Trade and other receivables	23	387,721	291,506	158,460	82,186
Prepayments and deposits		36,706	20,147	3,251	2,422
Amounts due from associates/joint ventures	18,19	2,323	1,204	1,492	803
Inventories	24	83,155	130,054	757	265
Cash and cash equivalents	25	786,041	879,849	505,781	761,558
		1,295,946	1,322,760	669,741	847,234

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SATS LTD. AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	Group		Company	
		31.3.2022	31.3.2021	31.3.2022	31.3.2021
		$'000	$'000	$'000	$'000
Current liabilities					
Trade and other payables	26	457,946	358,523	132,713	122,061
Amounts due to joint ventures	19	11,400	11,400	–	–
Income tax payable		18,179	36,029	9,725	15,142
Term loans	27	101,685	143,293	–	94,801
Loan from subsidiaries	17	–	–	167,800	169,900
Lease liabilities		41,373	16,044	2,847	3,030
		630,583	565,289	313,085	404,934
Net current assets		665,363	757,471	356,656	442,300
Non-current liabilities					
Deferred tax liabilities	21	90,440	68,676	26,913	27,643
Term loans	27	109,127	234,850	86,646	150,000
Notes payable	28	300,000	300,000	300,000	300,000
Lease liabilities		285,659	179,247	58,009	60,699
Other payables	26	42,771	44,956	6,710	8,219
		827,997	827,729	478,278	546,561
Net assets		1,833,707	1,698,800	1,682,992	1,638,136

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 2022

GROUP	Note	Attributable to owners of the Company: Share Capital	Treasury Shares	Share-Based Compensation Reserve	Statutory Reserve *	Foreign Currency Translation Reserve	Revenue Reserve	Capital Reserve	Loss on Reissuance of Treasury Shares	Fair Value Reserve	Total	Non-controlling Interests	Total Equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 April 2021		367,947	(18,798)	9,442	13,502	(150,223)	1,348,986	1,072	(25,747)	161	1,546,342	152,458	1,698,800
Profit/(loss) for the year		–	–	–	–	–	20,371	–	–	–	20,371	(16,040)	4,331
Other comprehensive income for the year		–	–	–	–	30,738	(3,047)	–	–	616	28,307	(5,601)	22,706
Total comprehensive income for the year		–	–	–	–	30,738	17,324	–	–	616	48,678	(21,641)	27,037
Contributions by and distributions to owners													
Share-based payment		–	–	7,606	–	–	–	–	–	–	7,606	–	7,606
Share awards lapsed		–	–	(2,446)	–	–	2,446	–	–	–	–	–	–
Treasury shares reissued pursuant to equity compensation plans		–	10,317	(9,724)	–	–	–	–	(618)	–	(25)	–	(25)
Total contributions by and distributions to owners		–	10,317	(4,564)	–	–	2,446	–	(618)	–	7,581	–	7,581
Others													
Acquisition of shares in subsidiary		–	–	–	–	–	–	–	–	–	–	102,689	102,689
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	–	–	(2,400)	(2,400)
Transfer to statutory reserve		–	–	–	4	–	(4)	–	–	–	–	–	–
Balance at 31 March 2022		**367,947**	**(8,481)**	**4,878**	**13,506**	**(119,485)**	**1,368,752**	**1,072**	**(26,365)**	**777**	**1,602,601**	**231,106**	**1,833,707**

* 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.

SATS LTD. AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

		Attributable to owners of the Company											
GROUP	Note	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Statutory Reserve *	Foreign Currency Translation Reserve	Revenue Reserve	Capital Reserve	Loss on Reissuance of Treasury Shares	Fair Value Reserve	Total	Non-controlling Interests	Total Equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 April 2020		367,947	(26,017)	9,504	12,076	(147,530)	1,426,096	1,072	(25,619)	(38)	1,617,491	188,032	1,805,523
Loss for the year		–	–	–	–	–	(78,929)	–	–	–	(78,929)	(30,368)	(109,297)
Other comprehensive income for the year		–	–	–	–	(2,693)	3,245	–	–	199	751	(1,803)	(1,052)
Total comprehensive income for the year		–	–	–	–	(2,693)	(75,684)	–	–	199	(78,178)	(32,171)	(110,349)
Contributions by and distributions to owners													
Share-based payment		–	–	8,787	–	–	–	–	–	–	8,787	–	8,787
Treasury shares reissued pursuant to equity compensation plans		–	8,787	(8,849)	–	–	–	–	(128)	–	(190)	–	(190)
Purchase of treasury shares		–	(1,568)	–	–	–	–	–	–	–	(1,568)	–	(1,568)
Total contributions by and distributions to owners		–	7,219	(62)	–	–	–	–	(128)	–	7,029	–	7,029
Others													
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	–	–	(3,403)	(3,403)
Transfer to statutory reserve		–	–	–	1,426	–	(1,426)	–	–	–	–	–	–
Balance at 31 March 2021		**367,947**	**(18,798)**	**9,442**	**13,502**	**(150,223)**	**1,348,986**	**1,072**	**(25,747)**	**161**	**1,546,342**	**152,458**	**1,698,800**

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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SATS LTD. AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

COMPANY	Note	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Revenue Reserve	Loss on Reissuance of Treasury Shares	Total Equity
		$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 April 2021		367,947	(18,798)	9,442	1,305,292	(25,747)	1,638,136
Profit for the year		–	–	–	37,275	–	37,275
Total comprehensive income for the year		–	–	–	37,275	–	37,275
Contributions by and distributions to owners							
Share-based payment		–	–	7,606	–	–	7,606
Treasury shares reissued pursuant to equity compensation plans		–	10,317	(9,724)	–	(618)	(25)
Share awards lapsed		–	–	(2,446)	2,446	–	–
Total contributions by and distributions to owners		–	10,317	(4,564)	2,446	(618)	7,581
Balance at 31 March 2022		**367,947**	**(8,481)**	**4,878**	**1,345,013**	**(26,365)**	**1,682,992**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SATS LTD. AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

COMPANY	Note	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Revenue Reserve	Loss on Reissuance of Treasury Shares	Total Equity
		$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 April 2020		367,947	(26,017)	9,504	1,307,292	(25,619)	1,633,107
Loss for the year		–	–	–	(2,000)	–	(2,000)
Total comprehensive income for the year		–	–	–	(2,000)	–	(2,000)
Contributions by and distributions to owners							
Share-based payment		–	–	8,787	–	–	8,787
Treasury shares reissued pursuant to equity compensation plans		–	8,787	(8,849)	–	(128)	(190)
Purchase of treasury shares		–	(1,568)	–	–	–	(1,568)
Total contributions by and distributions to owners		–	7,219	(62)	–	(128)	7,029
Balance at 31 March 2021		**367,947**	**(18,798)**	**9,442**	**1,305,292**	**(25,747)**	**1,638,136**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SATS LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2021-22 $'000	2020-21 $'000
Cash flows from operating activities			
Loss before tax		(27,101)	(145,449)
Adjustments for:			
Interest expenses, net	7	13,780	15,693
Depreciation and amortisation charges		119,667	130,442
Unrealised foreign exchange loss		42	1,076
Share of results of associates/joint ventures, net of tax		(17,154)	47,986
Gain on disposal of property, plant and equipment	8	(234)	(4)
Gain on deemed disposal of associate	8	(28,862)	–
Write-back of earn-out consideration	8	–	(13,693)
Impairment loss on investment in associates, long-term investment and intangible assets	8	–	68,751
Impairment loss on property, plant and equipment	14	16,948	24,079
Share-based payment expense	5	7,606	8,787
Provision for doubtful debts	6	11,134	13,681
Other non-cash items		773	1,352
Operating cash flows before working capital changes		96,599	152,701
Changes in working capital:			
(Increase)/decrease in receivables		(79,300)	71,764
(Increase)/decrease in prepayments and deposits		(15,748)	2,902
Decrease/(increase) in inventories		47,199	(60,922)
Increase/(decrease) in payables		48,081	(9,612)
(Increase)/decrease in amounts due from/to associates/ joint ventures, net		(528)	2,584
Cash generated from operations		96,303	159,417
Interest paid to third parties		(16,994)	(20,469)
Income taxes paid		(16,989)	(21,196)
Net cash from operating activities		62,320	117,752
Cash flows from investing activities			
Capital expenditure	25	(77,989)	(61,534)
Dividends from associates/joint ventures		26,641	26,756
Net proceeds from sale of investments		306	306
Proceeds from disposal of property, plant and equipment		347	1,262
Investments in subsidiaries- cash acquired net of considerations paid for acquisition		80,666	–
Interest received from deposits		3,289	4,831
Loan to associate		(2,152)	–
Net cash from/(used in) investing activities		31,108	(28,379)

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 2022

	Note	2021-22 $'000	2020-21 $'000
Cash flows from financing activities			
Repayment of term loans	27	(181,994)	(209,064)
Repayment of lease liabilities	27	(25,986)	(29,120)
Proceeds from borrowings	27	21,077	482,676
Purchase of treasury shares		–	(1,568)
Dividends paid to non-controlling interests		(2,400)	(3,403)
Net cash (used in)/from financing activities		(189,303)	239,521
Net (decrease)/increase in cash and cash equivalents		(95,875)	328,894
Effect of exchange rate changes		2,067	1,750
Cash and cash equivalents at beginning of financial year		879,849	549,205
Cash and cash equivalents at end of financial year	25	**786,041**	**879,849**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

The consolidated financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Directors on 30 May 2022.

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.

The principal activities of the subsidiaries are disclosed in Note 17 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). The related changes to significant accounting policies are described in note 2.2.

The financial statements are presented in Singapore Dollars ($ or SGD) and all values in the tables are rounded to the nearest thousand ($'000), unless otherwise indicated.

2.2 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 April 2021:

- *Interest Rate Benchmark Reform* (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7), SFRS(I) 4) and SFRS(I) 16),
- *COVID-19–Related Rent Concession beyond 30 June 2021* (Amendment to SFRS(I) 16)
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, Plant and Equipment- Proceeds before Intended Use* (Amendments to SFRS(I) 16)
- *Onerous Contracts-Cost of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)
- *Annual Improvements to SFRS(I)s 2018-2020*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standards issued but not yet effective

A number of new standards interpretations and amendments to standards are effective for annual periods beginning after 1 April 2021 and earlier application is permitted. However, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I) s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts* and amendments to SFRS(I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non–current* (Amendments to SFRS(I) 1-1)
- *Disclosure of Accounting Policies* (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SFRS(I) 1-8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SFRS(I) 1-12)

2.4 Basis of consolidation and business combinations

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or revenue reserve, as appropriate.

2. SUMMARY OF SIGNIFICANT 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 2.10. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Associates and joint ventures (cont'd)

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.

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 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.

Consolidated financial statements

For consolidation purposes, the assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition are translated into Singapore Dollars at exchange rates at the reporting date and their profit or loss are translated at exchange rates at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.8 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 accounting policy for borrowing costs is set out in Note 2.19. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Property, plant and equipment (cont'd)

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.

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, office and commercial equipment, fixed and mobile ground support equipment	–	1 to 12 years
Motor vehicles	–	1 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.

2.9 Investment properties

Investment properties are properties that are either owned by the Group that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties.

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 its estimated useful lives of 10 to 30 years. 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.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. Transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 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.

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 Group and Company do not have other intangible assets with indefinite useful life.

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.

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.

(i) Software development

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Intangible assets (cont'd)

Other intangible assets (cont'd)

(ii) Licences

Licences comprise the 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.

(iii) Customer relationships

Customer relationships were acquired in business combinations. The customer relationships are amortised on a straight-line basis over its estimated useful life of 10 to15 years.

2.11 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 fair value through profit or loss (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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial assets (cont'd)

(ii) Classification and subsequent measurement (cont'd)

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.

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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial assets (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Assessment of whether contractual cash flows are solely payments of principal and interest (cont'd)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial assets (cont'd)

(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 Hedges of a Net Investment is set out in Note 2.24.

Hedging relationships designated under FRS 39 that were still existing as at 31 March 2018 are treated as continuing hedges and hedge documentations were aligned accordingly to the requirements of SFRS(I) 9.

2.12 Inventories

Inventories, which consist mainly of equipment spare parts and food supplies, are stated at the lower of cost and net realisable value. Costs are determined using the weighted average cost basis, and comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and highly liquid fixed deposits that are readily converted to known amounts of cash and are subject to an insignificant risk of change in fair value.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash on hand and cash equivalents in banks, net of outstanding bank overdrafts.

2.14 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;
- intra-group financial guarantee contracts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(i) Non-derivative financial assets (cont'd)

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12–month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward–looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(ii) 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(ii) Non-derivative 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.

2.15 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Financial liabilities (cont'd)

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre–tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

2.17 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 15.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Leases (cont'd)

(i) As a lessee (cont'd)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Leases (cont'd)

(ii) As a lessor (cont'd)

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub–lease separately. It assesses the lease classification of a sub–lease with reference to the right–of–use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short–term lease to which the Group applies the exemption described above, then it classifies the sub–lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'. Rental income from sub-leased property is recognised as "other income".

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

2.18 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Taxes (cont'd)

Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Employee benefits

Equity compensation plans

The Group has also implemented the Restricted Share Plan and Performance Share Plan for awarding of fully paid ordinary shares to key senior management and senior executives, when and after pre-determined performance or service conditions are accomplished. Details of the plans are disclosed in Note 12 to the financial statements.

The cost of the equity-settled transactions with employees is measured by reference to the fair value of the options or awards at the date on which the share options or awards are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 12.

Costs related to share based payment are recognised in profit or loss, with a corresponding increase in the share-based compensation reserve, over the vesting period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based compensation reserve over the remaining vesting period.

No expense is recognised for options or awards that do not ultimately vest, except for options or awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The share-based compensation reserve is transferred to revenue reserve upon cancellation or expiry of the vested options or awards. When the options are exercised or awards are released, the share-based compensation reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Employee benefits (cont'd)

Equity compensation plans (cont'd)

Defined contribution plans

The Group participates in national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Defined benefit plan

The Group has defined benefit plan in one of its overseas subsidiaries but the amount is not significant and is included under other payables (non-current).

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost;
- Net interest on the net defined benefit liability or asset; and
- Remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21 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.

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.

2.22 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants receivable are recognised as income over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expense are offset against the related expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity (Note 12). No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.24 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. For more details, refer to Note 27.

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.

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the senior management of the Group. The senior management are responsible for allocating resources and assessing performance of the operating segments. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 Related parties

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Group and Company if that person:

   (a) has control or joint control over the Company;

   (b) has significant influence over the Company; or

   (c) is a member of the key management personnel of the Group or Company or of a parent of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.26 Related parties (cont'd)

(ii) An entity is related to the Group and the Company if any of the following conditions applies:

(a) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(c) both entities are joint ventures of the same third party;

(d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(e) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(f) the entity is controlled or jointly controlled by a person identified in (i); or

(g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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 critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements; and 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 Business impact and financial implications of the COVID-19 pandemic

The COVID-19 pandemic has significantly impacted the aviation industry with the reduction of international and regional flights around the world. While the borders are gradually opening up and pent-up demand in the last quarter of the financial year have led to continuing surge in travel volume, aviation passenger volume has yet to reach the pre-pandemic level and this has a direct impact on the revenue and profitability for the Group.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

3.1 Business impact and financial implications of the COVID-19 pandemic (cont'd)

In addition to the loss in revenue, the Group has also considered the impact of COVID-19 pandemic in the following areas:

(i) Accounting for government assistance grants

In view of the economic impact of the COVID-19 pandemic to the companies in Singapore, the Singapore Government has granted a series of reliefs to help ease the cost pressures of the Singapore companies. A significant portion of the reliefs comes under the Jobs Support Scheme ("JSS") and Aviation Workforce Retention Grant ("AWRG") whereby the Singapore Government provide wage support to employers to help them retain their local employees during this period of economic uncertainty.

Consequently, the Institute of Singapore Chartered Accountants has issued a Financial Reporting Bulletin 6 ("FRB 6 – Revised Sep 2020"), *COVID-19 Government Relief Measures: Accounting for the grant provided by the Singapore Government for wages paid to local employees under the Jobs Support Scheme,* where it provides accounting guidance and key consideration in accounting for the government grants that were given by the Government. In line with SFRS(I) 1-20 *Accounting for Government Grants and Disclosures of Government Assistance*, government grant is recognised (i) when there is reasonable assurance that it will comply with the conditions attached to them and the grants will be received; and (ii) it shall be recognised in profit or loss on a systematic basis over the period of economic uncertainty in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Significant judgement is required in determining the timing of recognition of grant receivable and realisation to profit or loss on a systematic basis over a period. In recognition of the government grants, management has evaluated and assessed that the government grant including JSS and AWRG will be recognised from February 2020 up to the financial year ending 31 March 2023. For the financial year ended 31 March 2022, the Group recorded a total of government grants amounting to $113.3 million (2021: $210.7 million) as a credit to staff costs (Note 5) in line with the intention of the grants to defray such expenses.

In addition, the Group has also obtained training grants from the Singapore Government in order to reskill and upskill its workforce. Training grants are recognised over the period in which the entity recognises the related training costs. For the financial year ended 31 March 2022, the Group recorded a total of training grants amounting to $7.1 million (2021: $40.5 million) as a credit to Other Costs in line with the intention of the grants to defray such expenses.

(ii) Estimated credit losses

As COVID-19 continues to evolve with economic uncertainties and adversely impact the aviation sector, certain airlines may potentially face the need to recapitalise and establish refinancing and capitalisation plans. The estimates on ECL have included the expected effects that pandemic may have on the recoverability of the Group's receivables from the airline customers (Note 31). Management has made a provision for the amount due from those airlines with a sign of financial distress but without a concrete recapitalisation or refinancing and capitalisation plan up to the date of these financial statements.

(iii) Solvency and liquidity

The Group continues to rationalize and manage its operating and capital expenditure and working capital adequately as the aviation industry recovers from the severe impact caused by the pandemic. As at 31 March 2022, the Group has a cash balance of $786.0 million (2021: $879.8 million) after the repayment of $150 million term loan ahead of its maturity, giving rise to a debt-equity ratio of 0.46 (2021: 0.51). The Group has access to undrawn credit facilities, bank lines and debt capital markets and continue to have the necessary financial resources to meet its obligations when they fall due.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

3.1 Business impact and financial implications of the COVID-19 pandemic (cont'd)

3.2 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 to ten years and do not include restructuring activities that the Group has not commit to or significant future investments that may enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

There is uncertainty in the current and future economic environment in which the Group operates arising from the ongoing COVID-19 outbreak. Given the pervasiveness of the pandemic, the Group's management has considered and evaluated the impact of COVID-19 pandemic by reviewing the impairment assessment of the Group's significant CGUs in light of the economic and market conditions. Significant judgement is required in determining the recoverable amount of the investments which is subject to a high degree of estimation uncertainty in assessing the duration and severity of the economic downturn caused by the pandemic and recovery of air travel demand. There was no impairment charge recorded in the current financial year, compared to impairment charges of $31.5 million, $12.5 million and $24.7 million recorded for investments in associates (Note 18), long-term investment (Note 20) and goodwill (Note 16) respectively in financial year 2021.

The Group has also carried out a review on the recoverable amount of its property, plant and equipment that are impacted by COVID-19 pandemic. A total impairment loss of $16.9 million (2021: $24.1 million) was recorded in the income statement (Note 8).

3.3 Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. REVENUE

The Group recognises revenue from the following sources:

	GROUP 2021-22 $'000	GROUP 2020-21 $'000
Food Solutions	640,930	573,753
Gateway Services	532,457	389,749
Others (rental and other services)	3,379	6,495
	1,176,766	969,997

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 ground handling, airport cargo delivery, management services, aviation security services and cruise terminal services. Revenue is recognised when 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.

Others

Others include rental income and others 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 2021-22 $'000	GROUP 2020-21 $'000
Salaries, bonuses and other costs *	591,671	514,976
CPF and other defined contribution plans	64,626	69,250
Share-based payment expense (Note 12)	7,606	8,787
Government grants	(113,348)	(210,748)
	550,555	382,265

* Included in salaries, bonuses and other costs are contract labour expenses of $82,952,000 (2021: $27,910,000).

6. OPERATING LOSS

The following items have been included in arriving at operating loss:

	GROUP 2021-22 $'000	GROUP 2020-21 $'000
Audit fee paid to auditors of the Company	600	566
Audit fee paid to other auditors	404	344
Non-audit fee paid to auditors of the Company	208	65
Non-audit fee paid to other auditors	51	219
Allowance of doubtful receivables and bad debts written off, net	11,134	13,681
Maintenance of equipment and vehicles	30,830	30,680
Digitalisation and IT expenses	38,832	39,203
Lease of ground support equipment	6,700	5,882
Rental for leasehold land and premises	4,763	5,719
COVID-19 related government grants and reliefs	(145,641)	(271,796)
Exchange loss, net	168	1,616

7. INTEREST ON BORROWINGS AND INTEREST INCOME

	GROUP 2021-22 $'000	GROUP 2020-21 $'000
Interest expenses – financial liabilities at amortised cost	(17,065)	(20,509)
Interest income – financial assets at amortised cost	3,285	4,816
	(13,780)	(15,693)

8. OTHER NON-OPERATING GAIN/(LOSS), NET

	GROUP 2021-22 $'000	GROUP 2020-21 $'000
Gain on disposal of property, plant and equipment	234	4
Write-back of earn-out consideration	–	13,693
Impairment loss on investment in associates, long-term investment and intangible assets	–	(68,751)
Impairment loss on property, plant and equipment	(16,948)	(24,079)
Accelerated recognition of government grant for impaired property, plant and equipment	321	7,498
Gain on deemed disposal of associate	28,862	–
Others	(317)	(24)
	12,152	(71,659)

9. INCOME TAX CREDIT

The major components of income tax credit for the years ended 31 March 2022 and 2021 are:

	GROUP 2021-22 $'000	GROUP 2020-21 $'000
Current income tax:		
Current year	10,788	11,215
(Over)/under provision in respect of prior years	(6,820)	193
	3,968	11,408
Deferred income tax (Note 21):		
Origination and reversal of temporary differences	(36,247)	(48,530)
Under/(Over) provision of deferred taxation in respect of prior years	18	(470)
Withholding tax on share of results of associates/ joint ventures	829	1,440
Income tax credit recognised in profit or loss	(31,432)	(36,152)

Reconciliation of effective tax rate

	GROUP 2021-22 $'000	GROUP 2020-21 $'000
Loss before tax	(27,101)	(145,449)
Taxation at statutory tax rate of 17% (2021: 17%)	(4,607)	(24,726)
Adjustments:		
Non-deductible expenses	14,417	16,145
Effect of different tax rates in other countries	(4,130)	(9,952)
Effect of reduction in tax rate	–	(17)
Tax rebate	(208)	(58)
(Over)/under provision of current taxation in respect of prior years	(6,820)	193
Under/(Over) provision of deferred taxation in respect of prior years	18	(470)
Utilisation of previously unrecognised tax losses/capital allowances	(59)	(567)
Tax exempt income	(32,451)	(27,678)
Effect of share of results of associates/joint ventures	(2,991)	7,996
Withholding tax on share of results of associates/joint ventures	829	1,440
Deferred tax assets not recognised	4,730	1,536
Others	(160)	6
Income tax credit recognised in profit or loss	(31,432)	(36,152)

10. EARNINGS/(LOSS) PER SHARE

	GROUP 2021-22 $'000	GROUP 2020-21 $'000
Profit/(loss) attributable to owners of the Company	20,371	(78,929)

	GROUP 2021-22	GROUP 2020-21
Weighted average number of ordinary shares in issue used for computing basic earnings per share	1,120,990,368	1,118,729,203
Adjustment for share options, RSP and PSP	4,449,129	4,290,538
Weighted average number of ordinary shares in issue used for computing diluted earnings per share	1,125,439,497	1,123,019,741
Earnings per share (cents)		
Basic	1.8	(7.1)
Diluted	1.8	(7.0)

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

For purposes of calculating diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect of share-based payment plans of the Company.

11. DIVIDENDS PAID

No tax exempt (one-tier) dividend was proposed for the financial year ended 31 March 2022 (2021: Nil).

12. SHARE CAPITAL AND TREASURY SHARES

Share Capital

	GROUP AND COMPANY 31 March			
	2022 Number of shares	2021 Number of shares	2022 $'000	2021 $'000
Ordinary shares				
Balance at beginning and end of the year	1,124,056,275	1,124,056,275	367,947	367,947

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.

No ordinary shares were issued pursuant to equity compensation plans during the year and in previous financial year.

12. SHARE CAPITAL AND TREASURY SHARES (cont'd)

Treasury Shares

	GROUP AND COMPANY 31 March			
	2022 Number of shares	2021 Number of shares	2022 $'000	2021 $'000
At beginning of the year	4,362,955	5,867,355	18,798	26,017
Shares acquired	–	535,000	–	1,568
Shares reissued pursuant to equity compensation plans	(2,394,550)	(2,039,400)	(10,317)	(8,787)
At end of the year	1,968,405	4,362,955	8,481	18,798

Treasury shares relate to ordinary shares of the Company that are held by the Company.

During the year, 2,394,550 (2021: 2,039,400) treasury shares were reissued pursuant to the equity compensation plans of which 2,089,850 (2021: 2,039,400) were reissued for the Restricted Share Plan, and 304,700 (2021: Nil) was reissued for the Performance Share Plan.

Share-Based Incentive Plans

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 ("RSP")

For grants in FY2019-20 and FY2021-22

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

12. SHARE CAPITAL AND TREASURY SHARES (cont'd)

Share-Based Incentive Plans (cont'd)

Performance Share Plan ("PSP")

For grants in FY2018–19 to FY2021-22

Plan description	Award of fully-paid ordinary shares of the Company, conditional on achievement of both pre-determined performance targets set at the start of a three-year overlapping performance period based on stretched long-term corporate objectives and individual performance.
Performance conditions	• Absolute Total Shareholder Return • Transformation Scorecard
Vesting condition	Vesting based on meeting specified performance conditions over a three-year performance period.
Payout	0% – 150% depending on the achievement of specified performance targets over the performance period.

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	Jun 2021	Aug 2020	Jun 2019
Expected dividend yield (%)		Management's forecast	
Expected volatility (%)	39.6	28.3	13.8
Risk-free interest rate (%)	0.4 – 0.5	0.2 – 0.3	1.7 – 1.9
Expected term (years)	0.2 – 2.0	0.0 – 1.9	0.0 – 2.0
Share price at date of grant ($)	4.02	2.91	5.27

PSP	Aug 2021	Aug 2020	Aug 2019	Dec 2018
Expected dividend yield (%)		Management's forecast		
Expected volatility (%)	32.6	26.1	16.2	16.3
Risk-free interest rate (%)	0.5	0.3	1.72	1.99
Expected term (years)	2.9	2.9	2.9	2.6
Index (for Relative TSR)	STI	STI	NA	NA
Index volatility (%)	19.2	17.6	NA	NA
Correlation with index (%)	0.7	0.7	NA	NA
Share price at date of grant ($)	3.99	2.91	4.82	4.60

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.

12. SHARE CAPITAL AND TREASURY SHARES (cont'd)

Share-Based Incentive Plans (cont'd)

Movement of RSP and PSP shares award during the year

RSP

	Number of restricted shares				
Date of grant	Balance at 01 April 2021/ Date of grant	Vested	Forfeited	Adjustment #	Balance at 31 March 2022
24 June 2019	568,700	(560,400)	(7,100)	–	1,200
20 August 2020	658,200	(338,500)	(58,300)	–	261,400
25 June 2021	2,049,000	(689,500)	(173,500)	–	1,186,000
02 August 2021	435,750	(435,750)	–	–	–
10 August 2021	65,700	(65,700)	–	–	–
	3,777,350	(2,089,850)	(238,900)	–	1,448,600

PSP

	Number of performance shares				
	Balance at 01 April 2021/ Date of grant	Vested	Forfeited	Adjustment #	Balance at 31 March 2022
14 December 2018	695,000	(304,700)	–	(390,300)	–
01 August 2019	635,000	–	(355,000)	–	280,000
20 August 2020	1,097,500	–	(450,000)	–	647,500
02 August 2021	890,000	–	(400,000)	–	490,000
	3,317,500	(304,700)	(1,205,000)	(390,300)	1,417,500

\# *Adjustments due to the performance factor at the end of the performance period upon meeting stated performance targets.*

The estimated weighted average fair values at date of grant for each share granted during the year under the PSP is $2.16 (2021: $1.35) 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 2022 were 1,448,600 (2021: 1,226,900) and 1,417,500 (2021: 2,427,500) for RSP and PSP respectively. Based on the achievement factor, the actual release of the awards is 1,448,600 (2021: 1,226,900) and zero to a maximum of 2,126,250 (2021: zero to maximum of 3,641,250) fully-paid ordinary shares of the Company, for RSP and PSP respectively.

12. SHARE CAPITAL AND TREASURY SHARES (cont'd)

Share-Based Incentive Plans (cont'd)

The total amount of share-based payment 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 summarised as follows:

	GROUP	
	2021-22	2020-21
	$'000	$'000
Share-based payment expense		
Restricted Share Plan	8,489	6,747
Performance Share Plan	(883)	2,040
	7,606	8,787

13. RESERVES

(a) Share-Based Compensation Reserve

Share-based compensation reserve represents the equity-settled share options, 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 equity-settled share options, 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 27).

(d) Fair Value Reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets, until they are disposed or impaired.

(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.

14. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Note	GROUP 31 Mar 2022 $'000	GROUP 31 Mar 2021 $'000	COMPANY 31 Mar 2022 $'000	COMPANY 31 Mar 2021 $'000
Property, plant and equipment	14.1	589,651	519,671	18,802	18,780
Right-of-use assets	14.2	312,827	187,716	59,522	63,336
		902,478	707,387	78,324	82,116

14. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (cont'd)

14.1 PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land and buildings	Leasehold land and buildings	Office fittings and fixtures	Fixed ground support equipment	Mobile ground support equipment	Office and commercial equipment	Motor vehicles	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost									
At 1 April 2020	105,881	803,663	202,679	418,836	86,765	65,458	67,360	33,961	1,784,603
Translation	(9,543)	(1,442)	(358)	460	(261)	(1,141)	(983)	30	(13,238)
Reclassifications	–	–	4,103	13,694	410	(453)	–	(17,754)	–
Transfer to intangible assets (Note 16)	–	–	–	–	–	–	–	(28)	(28)
Additions (Note 25)	186	2,397	1,239	7,483	2,285	2,078	5,000	17,157	37,825
Disposals	(1,186)	(534)	(12,468)	(3,928)	(306)	(2,078)	(3,375)	(282)	(24,157)
At 31 March 2021	95,338	804,084	195,195	436,545	88,893	63,864	68,002	33,084	1,785,005
At 31 March 2021 and 1 April 2021	95,338	804,084	195,195	436,545	88,893	63,864	68,002	33,084	1,785,005
Translation	(13,902)	234	(854)	403	(80)	(3,833)	(1,643)	136	(19,539)
Reclassifications	–	(42)	3,040	3,110	3,045	1,027	–	(10,180)	–
Acquisition of subsidiaries	5,285	285,497	952	148,964	–	29,745	419	1,885	472,747
Additions (Note 25)	29	619	2,230	8,315	357	519	1,345	49,191	62,605
Disposals	–	–	(345)	(4,554)	(192)	(73)	(1,155)	–	(6,319)
At 31 March 2022	86,750	1,090,392	200,218	592,783	92,023	91,249	66,968	74,116	2,294,499

14. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (cont'd)

14.1 PROPERTY, PLANT AND EQUIPMENT (cont'd)

GROUP	Freehold land and buildings	Leasehold land and buildings	Office fittings and fixtures	Fixed ground support equipment	Mobile ground support equipment	Office and commercial equipment	Motor vehicles	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Accumulated depreciation and impairment losses									
At 1 April 2020	26,136	574,839	128,583	324,612	43,589	46,438	38,109	–	1,182,306
Translation	(3,994)	(67)	(72)	430	(120)	(717)	(487)	–	(5,027)
Reclassifications	–	–	–	514	–	(514)	–	–	–
Depreciation	5,435	27,018	15,922	16,048	9,789	6,607	6,056	–	86,875
Disposals	(669)	(534)	(12,329)	(3,722)	(306)	(2,038)	(3,301)	–	(22,899)
Impairment	–	270	3,371	15,435	22	1,080	1,762	2,139	24,079
At 31 March 2021	26,908	601,526	135,475	353,317	52,974	50,856	42,139	2,139	1,265,334
At 31 March 2021 and 1 April 2021	26,908	601,526	135,475	353,317	52,974	50,856	42,139	2,139	1,265,334
Translation	(8,452)	(467)	(743)	(103)	(46)	(3,534)	(1,056)	–	(14,400)
Depreciation	5,014	23,820	13,689	15,872	8,536	4,720	5,032	–	76,682
Acquisition of subsidiaries	–	228,252	952	110,298	–	26,608	380	–	366,490
Disposals	–	–	(184)	(4,644)	(191)	(71)	(1,116)	–	(6,206)
Impairment	–	–	16	14,055	272	195	–	2,410	16,948
At 31 March 2022	23,470	853,131	149,205	488,795	61,545	78,774	45,379	4,549	1,704,848
Carrying amounts									
At 1 April 2020	79,745	228,824	74,096	94,224	43,176	19,020	29,251	33,961	602,297
At 31 March 2021	68,430	202,558	59,720	83,228	35,919	13,008	25,863	30,945	519,671
At 31 March 2022	63,280	237,261	51,013	103,988	30,478	12,475	21,589	69,567	589,651

As part of the Group's annual impairment assessment, management assessed that the recoverable amount of certain plant and equipment is lower than its carrying amount due to the change in business and operation plan. As a result, impairment losses of $16,948,000 was recorded during the financial year ended 31 March 2022.The Group's property, plant and equipment with a carrying amount of $13,853,000 (2021: $13,543,000) are pledged to secure the Group's bank loans (Note 27).

14. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (cont'd)

14.1 PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY	Fixed ground support equipment	Mobile ground support equipment	Office and commercial equipment	Motor vehicles	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 1 April 2020	7,256	–	6,141	116	10,754	24,267
Reclassification/transfer to investment properties (Note 15)	5,167	–	–	–	(7,209)	(2,042)
Additions	–	–	495	–	5,621	6,116
Disposals	(6)	–	(172)	(27)	–	(205)
At 31 March 2021 and 1 April 2021	12,417	–	6,464	89	9,166	28,136
Reclassification/transfer to investment properties (Note 15)	1,063	–	–	–	(2,072)	(1,009)
Additions	239	–	5	–	3,040	3,284
At 31 March 2022	13,719	–	6,469	89	10,134	30,411
Accumulated depreciation						
At 1 April 2020	3,647	–	3,684	75	–	7,406
Depreciation	1,306	–	841	8	–	2,155
Disposals	(6)	–	(172)	(27)	–	(205)
At 31 March 2021 and 1 April 2021	4,947	–	4,353	56	–	9,356
Depreciation	1,557	–	688	8	–	2,253
At 31 March 2022	6,504	–	5,041	64	–	11,609
Carrying amounts						
At 1 April 2020	3,609	–	2,457	41	10,754	16,861
At 31 March 2021	7,470	–	2,111	33	9,166	18,780
At 31 March 2022	7,215	–	1,428	25	10,134	18,802

14. PROPERTY, PLANT AND EQUIPMENT AN RIGHT-OF-USE ASSETS (cont'd)

14.2 RIGHT-OF-USE ASSETS

GROUP	Leasehold land and buildings	Others	Total
	$'000	$'000	$'000
Cost			
At 1 April 2020	221,127	5,778	226,905
Translation	(6,425)	(109)	(6,534)
Additions	16,748	119	16,867
Disposals	(1,765)	(1,704)	(3,469)
At 31 March 2021 and 1 April 2021	229,685	4,084	233,769
Translation	(6,658)	(27)	(6,685)
Acquisition of subsidiaries	192,977	–	192,977
Additions	28,928	1,001	29,929
Disposals	(9,839)	(297)	(10,136)
At 31 March 2022	435,093	4,761	439,854
Accumulated depreciation			
At 1 April 2020	18,637	2,311	20,948
Translation	(547)	(55)	(602)
Amortisation	25,750	1,526	27,276
Disposals	(744)	(825)	(1,569)
At 31 March 2021 and 1 April 2021	43,096	2,957	46,053
Translation	(893)	(20)	(913)
Acquisition of subsidiaries	60,195	–	60,195
Amortisation	26,607	776	27,383
Disposals	(5,546)	(145)	(5,691)
At 31 March 2022	123,459	3,568	127,027
Carrying amounts			
At 31 March 2020	202,490	3,467	205,957
At 31 March 2021	186,589	1,127	187,716
At 31 March 2022	311,634	1,193	312,827

14. PROPERTY, PLANT AND EQUIPMENT AN RIGHT-OF-USE ASSETS (cont'd)

14.2 RIGHT-OF-USE ASSETS (cont'd)

	Leasehold land and buildings
	$'000
COMPANY	
Cost	
At 1 April 2020	70,895
Additions	195
At 31 March 2021 and 1 April 2021	71,090
Additions	47
At 31 March 2022	71,137
Accumulated depreciation	
At 1 April 2020	3,858
Amortisation	3,896
At 31 March 2021 and 1 April 2021	7,754
Amortisation	3,861
At 31 March 2022	11,615
Carrying amounts	
At 31 March 2020	67,037
At 31 March 2021	63,336
At 31 March 2022	59,522

15. INVESTMENT PROPERTIES

	GROUP	COMPANY
	$'000	$'000
Cost		
At 1 April 2020	16,292	799,101
Transfer from property, plant and equipment (Note 14.1)	–	2,042
Additions	–	16
Disposals	(6,663)	(6,663)
At 31 March 2021 and 1 April 2021	9,629	794,496
Transfer from property, plant and equipment (Note 14.1)	–	1,009
Disposals	(2,390)	–
At 31 March 2022	7,239	795,505
Accumulated depreciation		
At 1 April 2020	15,253	598,065
Depreciation	542	30,069
Disposals	(6,663)	(6,663)
At 31 March 2021 and 1 April 2021	9,132	621,471
Depreciation	497	26,384
Disposals	(2,390)	–
At 31 March 2022	7,239	647,855

15. INVESTMENT PROPERTIES (cont'd)

	GROUP	COMPANY
	$'000	$'000
Carrying amount		
At 1 April 2020	1,039	201,036
At 31 March 2021	497	173,025
At 31 March 2022	–	147,650

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.

Information relating to the fair values of the investment properties of the Group as at 31 March as follows:

	2022		2021	
	Carrying value $'000	Fair value $'000	Carrying value $'000	Fair value $'000
Investment properties	–	12,400	497	13,000

Information relating to the fair values of the investment properties of the Company rented to third parties as at 31 March as follows:

	2022		2021	
	Carrying value $'000	Fair value $'000	Carrying value $'000	Fair value $'000
Investment properties rented by Company to third parties	–	12,400	497	13,000

The valuation is based on the Investment Method that makes reference to gross rental income of similar properties based on prevailing economic conditions.

The remaining investment properties of the Company are rented to the subsidiaries of the Group for their operational needs and therefore the Company does not consider the disclosure of fair value of these investment properties to be relevant.

Investment properties are categorised within level 3 of the fair value hierarchy. A significant increase (decrease) in gross rental income would result in a significantly higher (lower) fair value measurement.

The property rental income earned by the Group and Company for the year ended 31 March 2022 from its investment properties which are leased out under operating leases, amounted to $1,020,000 and $49,860,000 (2021: Nil and $49,721,000) respectively.

Direct operating expenses (including repairs and maintenance) incurred on rental-earning investment properties amounted to $151,000 and $38,236,000 (2021: $116,000 and $37,838,000) for the Group and Company respectively.

16. INTANGIBLE ASSETS

GROUP	Software development	Work in progress	Goodwill	Licence	Customer relationships	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 1 April 2020	114,512	13,208	302,820	27,099	144,822	602,461
Translation	(631)	(19)	(1,782)	15	(1,033)	(3,450)
Transfer from/(to) property, plant and equipment (Note 14.1)	3,660	(3,632)	–	–	–	28
Additions (Note 25)	592	24,195	–	–	–	24,787
Impairment	–	–	(24,700)	–	–	(24,700)
Disposals	(3,628)	–	–	–	–	(3,628)
Other	–	–	–	–	1,877	1,877
At 31 March 2021 and 1 April 2021	114,505	33,752	276,338	27,114	145,666	597,375
Translation	(662)	(20)	(2,070)	(12)	(128)	(2,892)
Reclassifications	13,955	(13,955)	–	–	–	–
Additions (Note 25)	1,946	14,708	–	–	–	16,654
Acquisition through business combinations	–	–	50,182	–	93,113	143,295
	129,744	34,485	324,450	27,102	238,651	754,432
Accumulated depreciation						
At 1 April 2020	105,576	–	–	21,670	47,840	175,086
Translation	(578)	–	–	15	43	(520)
Amortisation	4,289	–	–	1,917	9,543	15,749
Disposals	(3,619)	–	–	–	–	(3,619)
At 31 March 2021 and 1 April 2021	105,668	–	–	23,602	57,426	186,696
Translation	(630)	–	–	(12)	94	(548)
Amortisation	4,600	–	–	1,918	8,587	15,105
At 31March 2022	109,638	–	–	25,508	66,107	201,253
Carrying amounts						
At 1 April 2020	8,936	13,208	302,820	5,429	96,982	427,375
At 31 March 2021	8,837	33,752	276,338	3,512	88,240	410,679
At 31 March 2022	20,106	34,485	324,450	1,594	172,544	553,179

16. INTANGIBLE ASSETS (cont'd)

Customer relationships and licence

Customer relationships relate to the economic benefits that are expected to derive from business dealings with the existing customers in the Singapore, Japan, Malaysia, China and United Kingdom operations. These are acquired as part of the acquisition of the subsidiaries. The relationships include catering, 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 granted by the Singapore Food Agency.

Amortisation expense

The amortisation of software development, licence and customer relationships is included in the "Depreciation and amortisation charges" in the consolidated income statement.

Impairment testing of goodwill

Goodwill arising from business combinations have been allocated to the cash-generating units ("CGU") for impairment testing.

Impairment testing for CGU is carried out annually. There was no impairment loss recorded in the current financial year. In the last financial year, the carrying amount of the CGU was determined to be higher than its recoverable amount and thus, impairment loss of $11,000,000 and $13,700,000 were recognised for Ground Team Red Holdings Sdn. Bhd. and Monty's Bakehouse UK Limited respectively.

The carrying amounts of goodwill allocated to each CGU are as follows:

	31 Mar 2022 $'000	31 Mar 2021 $'000
SATS Food Services ("SFS")	111,791	111,791
TFK Corporation	17,059	18,666
Ground Team Red Holdings Sdn. Bhd. ("GTRH")	100,781	101,329
Nanjing Weizhou Airline Food Corp., Ltd ("NWA")	30,959	29,767
Monty's Bakehouse UK Limited ("MBUK")	13,678	14,785
SATS Food Solutions (Thailand) Co., Ltd. ("SFST") (formerly known as Food City Company Limited)	4,324	–
Asia Airfreight Terminal Co., Ltd. ("AAT")	45,858	–
	324,450	276,338

16. INTANGIBLE ASSETS (cont'd)

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 financial forecasts include the impact of COVID-19 pandemic, management's estimated recovery of the aviation industry from COVID-19 pandemic and the long-term viability of the airline customers, which could be dependent on the refinancing or recapitalisation plan of the airlines. The recoverable amount of the CGU is highly sensitive to such financial projection. 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 growth rates		Pre-tax discount rates	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	%	%	%	%
SFS	1.0	1.0	6.6	8.1
TFK Corporation	0.8	0.8	13.6	13.0
GTRH	2.3	2.3	12.7	12.7
NWA	2.0	2.5	11.7	12.6
MBUK	1.5	1.5	13.2	13.6
SFST	2.0	–	10.3	–
AAT	1.0	–	10.8	–

16. INTANGIBLE ASSETS (cont'd)

COMPANY	Software	Work in progress	Total
	$'000	$'000	$'000
Cost			
At 1 April 2020	31,019	4,215	35,234
Additions	–	13,155	13,155
Reclassifications	1,044	(1,044)	–
Disposals	(186)	–	(186)
At 31 March 2021 and 1 April 2021	31,877	16,326	48,203
Additions	135	7,610	7,745
Reclassifications	13,669	(13,669)	–
At 31 March 2022	45,681	10,267	55,948
Accumulated amortisation			
At 1 April 2020	28,065	–	28,065
Amortisation	1,267	–	1,267
Disposals	(185)	–	(185)
At 31 March 2021 and 1 April 2021	29,147	–	29,147
Amortisation	1,829	–	1,829
At 31 March 2022	30,976	–	30,976
Carrying amounts			
At 1 April 2020	2,954	4,215	7,169
At 31 March 2021	2,730	16,326	19,056
At 31 March 2022	14,705	10,267	24,972

17. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	31 Mar 2022	31 Mar 2021
	$'000	$'000
Unquoted shares, at cost	949,753	779,983
Impairment loss	(26,000)	(26,000)
	923,753	753,983

The names of the subsidiaries are set out below and the country of incorporation and place of business is Singapore, unless otherwise stated:

Name of companies	Principal activities (Place of business)	Cost of investment 31 Mar 2022 $'000	Cost of investment 31 Mar 2021 $'000	Equity held 31 Mar 2022 %	Equity held 31 Mar 2021 %
Held by the Company					
SATS Airport Services Pte Ltd[* a]	Airport ground handling services	16,500	16,500	100	100
SATS Catering Pte Ltd[* a]	Inflight catering services	14,000	14,000	100	100
SATS Security Services Private Limited [a]	Security handling services	3,000	3,000	100	100
SATS Aero Laundry Pte. Ltd.[a]	Providing and selling laundry and linen services	2,515	2,515	100	100

17 INVESTMENT IN SUBSIDIARIES (cont'd)

Name of companies	Principal activities (Place of business)	Cost of investment 31 Mar 2022 $'000	Cost of investment 31 Mar 2021 $'000	Equity held 31 Mar 2022 %	Equity held 31 Mar 2021 %
Held by the Company (cont'd)					
SATS Aerolog Express Pte. Ltd.[a]	Airport cargo delivery management services	1,340	1,340	100	100
SATS Institutional Catering Pte. Ltd. [a]	Supplier of food products and provision of expertise and manpower to manage central kitchens & catering operations	11,030	11,030	100	100
SATS Asia-Pacific Star Pte. Ltd. [a]	Airport ground handling services and inflight catering services	#	#	100	100
SATS Food Services Pte. Ltd [a]	Food processing and distribution services	487,260	487,260	100	100
SATS Investments Pte. Ltd.[a]	Investment holding	#	#	100	100
SATS (India) Co. Private Limited [b]	Business development and marketing and product development (India)	228	228	100	100
SATS Investments (II) Pte. Ltd.[a]	Investment holding	#	#	100	100
Cemerlang Pte. Ltd.[a]	Investment holding	#	#	100	100
SATS Services Sdn. Bhd.[b]	Shared services to the Company and its subsidiaries (Malaysia)	201	201	100	100
SATS Saudi Arabia Company [b]	Cargo handling (Saudi Arabia)	145	145	80	80
SATS Consumer Services Pte. Ltd. [a]	Provide airline and airport services, including buy on board, lounge access and concierge	100	100	100	100
GTRSG Pte. Ltd. [a]	Ground handling	754	754	20	20
SATS Group Services Sdn. Bhd.[b]	Investment holding (Malaysia)	#	#	100	100
Ground Team Red Holdings Sdn. Bhd. [b]	Investment holding (Malaysia)	160,886	160,886	50	50
SATS China Co., Ltd. [b]	Investment holding (People's Republic of China)	100,298	82,024	100	100
Asia Airfreight Terminal Co., Ltd. [b,n]	Air cargo handling services (Hong Kong)	151,496	–	65.4	49
		949,753	779,983		

There was no impairment charge recognised in the current financial year (2021: $26,000,000)

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of companies (Country of incorporation)	Principal activities (Place of business)	Equity held 31 Mar 2022 %	Equity held 31 Mar 2021 %
Held through SATS Airport Services Pte Ltd			
SATS-Creuers Cruise Services Pte. Ltd.[a]	Management of international cruise terminal	60	60
SATS Saudi Arabia Company [b]	Cargo handling (Saudi Arabia)	20	20
SATS Seletar Aviation Services Pte. Ltd. [a]	Terminal management services	52	52
Held through SATS Food Services Pte. Ltd.			
Primary Industries Private Limited and its subsidiary [a]	Provision of abattoir services	78.5	78.5
– Hog Auction Market Pte Ltd [a]	Auctioneers of pigs	78.5	78.5
Primary Industries (Qld) Pty Ltd [b]	Provision of land logistics and food solutions (Australia)	100	100
Shanghai ST Food Industries Co., Limited [c]	Manufacture and sale of frozen foodstuffs (People's Republic of China)	100	100
SFI Food Pte. Ltd.[a]	Food catering related ventures	100	100
SFI Manufacturing Private Limited [a]	Supply of food products and catering services	100	100
SATS Delaware North Pte. Ltd.[a]	Catering and food and beverages services at Singapore Sports Hub	70	70
Country Foods Pte. Ltd. [a]	Food distribution, processing and manufacturing	100	100
Held through SATS Investments Pte. Ltd.			
TFK Corporation [b,i]	Inflight catering services (Japan)	59.4	59.4
SATS Investments Turkey Havacılık Yatırımları Anonim Şirketi [m]	Investment holding (Turkey)	–	100
SATS Food Turkey Gıda Hizmetleri Anonim Şirketi [m]	Food-related projects (Turkey)	–	100
Monty's Bakehouse UK Limited [d]	Providing hand–held meals and snacks to leading airline customers globally (United Kingdom)	100	100
SATS Thailand Co. Ltd. [g]	Investment holding company (Thailand)	100	100
Real Tasty Pte. Ltd. [a,k]	Snack bars, food kiosks and fast food outlets	100	–
SATS Food Solutions India Private Limited [b,k]	Central kitchen (India)	100	–

17 INVESTMENT IN SUBSIDIARIES (cont'd)

Name of companies (Country of incorporation)	Principal activities (Place of business)	Equity held 31 Mar 2022 %	Equity held 31 Mar 2021 %
Held through TFK Corporation			
Inflight Foods Co., Ltd. [i,j]	Preparation and sale of inflight meals, frozen foods, seafood, meat and rice products and vegetables and fruits (Japan)	59.4	59.4
Narita Dry Ice Co., Ltd. [i,j]	Manufacture and sale of dry ice and ice cubes and sale of refrigerant and packaging material (Japan)	59.4	59.4
New Tokyo Service Co., Ltd [i,j]	Inflight catering services, and provision of manpower to inflight catering operators (Japan)	59.4	59.4
Held through SATS China Co., Ltd.			
SATS (Tianjin) Food Co., Ltd. [e]	Food production, processing and distribution (People's Republic of China)	100	100
SATS (Kunshan) Food Co., Ltd [b]	Food production, processing and distribution (People's Republic of China)	100	100
Nanjing Weizhou Airline Food Corp., Ltd [f]	Aviation food manufacturer producing frozen food, ambient meals and related food components to aviation companies (People's Republic of China)	50	50
Held through Nanjing Weizhou Airline Food Corp., Ltd			
Ganzhou SATS Aviation Food Co., Ltd [f]	Aviation and railway food production and distribution (People's Republic of China)	50	50
Huizhou Weilian Airline Food., Ltd [f]	Aviation food production and distribution (People's Republic of China)	27.5	27.5
Shenzhen Weilian Air Catering Co., Ltd. [f,k]	Airline food services and other catering services (People's Republic of China)	50	–
Zhoushan Weilian Air Catering Co., Ltd [f,k]	Airline food services and other catering services (People's Republic of China)	50	–
Zhanjiang Wuchuan Weilian Air Catering Co., Ltd [f,k]	Airline food services and other catering services (People's Republic of China)	50	–
Held through SATS Thailand Co. Ltd.,			
SATS Food Solutions (Thailand) Co., Ltd. (formerly known as Food City Company Limited) [g,l]	Production of frozen, ready-to-cook, ready-to-eat and other food products (Thailand)	85	–

17. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of companies (Country of incorporation)	Principal activities (Place of business)	Equity held 31 Mar 2022 %	Equity held 31 Mar 2021 %
Held through Ground Team Red Holdings Sdn. Bhd.			
Ground Team Red Sdn. Bhd. [b]	Airport ground handling services (Malaysia)	49	49
GTRSG Pte. Ltd. [a]	Ground handling	40	40
Held through Monty's Bakehouse UK Limited			
Monty's Bakehouse GCC and Asia General Trading FZE [m]	Manufacture and supply of hand-held savoury snacks and bakery to airlines and airline caterers (United Arab Emirates)	–	100
Monty's Bakehouse NL B.V. [d]	Manufacture and supply hand-held savoury snacks and bakery to airlines and airline caterers (Netherlands)	100	100
Held through Asia Airfreight Terminal Co. Ltd			
Asia Airfreight Services Limited [b,n]	Provision of off-airport terminal, cargo consolidation, express delivery and other cargo related services (Hong Kong)	100	–
Held through SATS Catering Pte Ltd			
The Aviation Sustainability Forum Ltd. [h]	Aviation association for Improved sustainability in inflight passenger services	100	–

a Audited by KPMG, Singapore.
b Audited by member firms of KPMG International in the respective countries.
c Audited by Shanghai YMD Certified Public Accountants (LLP).
d Audited by Grant Thornton UK LLP.
e Audited by CAC CPA Limited Liability Partnership.
f Audited by Jonten Certified Public Accountants (Limited Liability Partnership).
g Audited by Ernst and Young Thailand.
h Audited by Ardent Assurance.
i Percentage of equity held excludes Treasury Shares held by TFK Corporation.
j Not required to be audited under the laws of their countries of incorporation.
k Incorporated during the year.
l Acquired during the year
m Liquidated during the year
n Became a subsidiary during the year subsequent to step-up acquisition of additional 16.4% equity interest.

\# Amount is less than $1,000.
* Significant subsidiaries in FY2021-22 in accordance to Rule 718 of the Singapore Exchange Securities Trading Limited – Listing Rules.

17. INVESTMENTS IN SUBSIDIARIES (cont'd)

Interest in subsidiaries with material non-controlling interest (NCI)

The Group has the following subsidiaries that have NCI that are material to the Group:

Name of subsidiaries (Place of business)	Proportion of ownership interest held by non-controlling interest	Loss allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period	Dividends paid to NCI
	%	$'000	$'000	$'000
TFK Corporation and its subsidiaries (Japan)				
31 March 2022	40.6	(6,729)	(34,866)	–
31 March 2021	40.6	(14,412)	(47,300)	–
Ground Team Red Holdings Sdn. Bhd. (Malaysia)				
31 March 2022	50.0	(6,946)	(56,027)	–
31 March 2021	50.0	(17,601)	(64,941)	–
Asia Airfreight Terminal Co. Ltd (Hong Kong)				
31 March 2022	34.6	–	(99,677)	–
31 March 2021	–	–	–	–

Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised statement of comprehensive income:

	TFK		GTRH*	
	2021-22	2020-21	2021-22	2020-21
	$'000	$'000	$'000	$'000
Revenue	77,521	58,714	22,940	13,840
Loss before tax	(23,459)	(51,787)	(17,809)	(57,135)
Income tax credit	6,886	16,289	4,227	11,005
Loss after tax	(16,573)	(35,498)	(13,582)	(46,130)
Other comprehensive income	(63,813)	(41,259)	(1,692)	(5,729)
Total comprehensive income	(80,386)	(76,757)	(15,274)	(51,859)

* The figures disclosed include Ground Team Red Sdn. Bhd. ("GTR") and GTRSG Pte. Ltd ("GTRSG') being subsidiaries of GTRH.

17. INVESTMENTS IN SUBSIDIARIES (cont'd)

Summarised financial information about subsidiaries with material NCI (cont'd)

Summarised statement of financial position as at 31 March:

	TFK		GTRH*		AAT**	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	$'000	$'000	$'000	$'000	$'000	$'000
Current assets	21,645	39,138	5,360	6,846	184,539	–
Current liabilities	(26,932)	(34,185)	(14,932)	(12,884)	(69,738)	–
	(5,287)	4,953	(9,572)	(6,038)	114,801	–
Non-current assets	187,482	213,398	211,030	219,962	359,799	–
Non-current liabilities	(79,259)	(84,580)	(48,175)	(46,096)	(140,659)	–
	108,223	128,818	162,855	173,866	219,140	–
Net assets	102,936	133,771	153,283	167,828	333,941	–

Other summarised information:

	TFK		GTRH*	
	2021-22	2020-21	2021-22	2020-21
	$'000	$'000	$'000	$'000
Net cash outflows from operations	(21,313)	(19,467)	(4,165)	(14,820)
Acquisition of significant property, plant and equipment, and intangible assets	(1,628)	(2,651)	(462)	(838)

* The figures disclosed include GTR and GTRSG being subsidiaries of GTRH.

** AAT became a subsidiary on 23 March 2022 subsequent to step-up acquisition of additional 16.4% equity interest. No summarised statement of comprehensive income and other summarised information disclosed for AAT as the transactions from 23 to 31 March 2022 are immaterial.

A – Acquisition of subsidiary SATS Food Solutions (Thailand) Co., Ltd.

On 9 July 2021, the Group, through its subsidiaries, SATS Investments Pte. Ltd., ("SIPL") and SATS (Thailand) Co., Ltd. ("SATS Thailand") acquired 85% equity interest in the capital of SATS Food Solutions (Thailand) Co., Ltd. ("SFST") (formerly known as Food City Company Limited) for cash consideration of $20.4 million. SFST became a subsidiary of the Group upon acquisition.

SFST's main asset is a food production facility in Thailand. The facility covers a land area of 30,000 square metres, and benefits from the well-established food ecosystem in Thailand. Post-acquisition, the facility will be configured to focus on the production of ready-to-eat meals.

For the 9 months ended 31 March 2022, SFST contributed revenue of $0.6 million and loss of $2.4 million to the Group. If the acquisition had occurred on 1 April 2021, management estimates that consolidated revenue would have been higher by $0.2 million and consolidated profit for the year would have been $0.8 million lower.

17. INVESTMENTS IN SUBSIDIARIES (cont'd)

A – Acquisition of subsidiary SATS Food Solutions (Thailand) Co., Ltd. (cont'd)

Identifiable assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities assumed at the date of acquisition were:

	July 2021
	$'000
Property, plant and equipment	18,322
Trade and other receivables	663
Other current assets	306
Cash and cash equivalents	204
	19,495
Other non-current liabilities	(124)
Trade and other payables	(319)
Other current liabilities	(273)
	(716)
Total net identifiable assets at fair value	18,779
Consideration transferred	20,454
Non-controlling interest (NCI)measured at the NCI's proportionate share	2,823
Less: Goodwill arising from acquisition	(4,498)
	18,779

Goodwill arising from acquisition

The goodwill amounting to $4,498,000 arose from the acquisition of 85% equity interest in the capital of Food City collectively through SIPL and SATS Thailand. This was attributable to the scale and food technology capability as well as the potential synergies expected to arise from the partnership.

B – Step–up acquisition of Asia Airfreight Terminal Co. Ltd

Prior to the step-up acquisition, the Company owns 49% of the total issued share of Asia Airfreight Terminal Co. Ltd ("AAT"), a cargo terminal operator operating in the Hong Kong International Airport at Chek Lap Kok, Hong Kong ("HKIA").

On 23 March 2022, the Company acquired additional 16.4% equity interest of the total issued share of AAT at cash consideration of $58.8 million. This brought the total issued share capital of AAT owned by the Company to 65.4%, granting the Company control of AAT. As a result, AAT became a subsidiary of the Company.

The step-up acquisition was accounted for as if there was a disposal of 49% stake, followed by the acquisition of 65.4% stake. A gain on deemed disposal amounting to $28.9 million was recorded at acquisition date.

The acquisition is a part of the Company's strategy to expand its cargo handling network and accelerate innovation to drive sustainable business growth.

17. INVESTMENTS IN SUBSIDIARIES (cont'd)

If the acquisition had occurred on 1 April 2021, management estimates that consolidated revenue would have been higher by $152.5 million and consolidated profit for the year would have been higher by $0.8 million (excluding share of results as an associate, from 1 April 2021 to the date of acquisition and taking into consideration the amortisation of intangible assets recognised upon acquisition assuming acquisition happened on 1 April 2021).

Fair values measured on a provisional basis

The fair value of material assets acquired has been determined provisionally pending completion of an independent valuation. If new information obtained within one year from the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts or any additional provisions existed at the date of acquisitions, then the accounting for the acquisition will be revised.

The fair value of the identifiable assets and liabilities were:

	March 2022
	$'000
Property, plant and equipment	88,621
Right-of-use assets	132,782
Intangible assets	93,113
Trade and other receivables	22,760
Other current assets	2,508
Cash and cash equivalents	159,751
	499,535
Other non-current liabilities	(125,621)
Trade and other payables	(49,381)
Other current liabilities	(20,538)
Deferred tax liabilities	(15,364)
	(210,904)
Total net identifiable assets at fair value	288,631
Consideration transferred	58,835
Fair value of existing 49% stake	175,788
Non-controlling interest measured at the non-controlling interest's proportionate share	99,866
Less: Provisional goodwill arising from acquisition	(45,858)
	288,631

Provisional goodwill arising from acquisition

The provisional goodwill amounting to $45,858,000 arose from the acquisition of 16.4% equity interest in AAT. This was attributable to network and capabilities, as well as the potential synergies in connectivity expected to arise from the acquisition.

17. INVESTMENTS IN SUBSIDIARIES (cont'd)

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Asset required	Valuation technique
Property, plant and equipment	*Market comparison technique and cost technique*: The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	*Multi-period excess earnings method*: The multi-period excess earnings method considers the present value of net cash flows related to contributory assets.
Inventories	*Market comparison technique*: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Loan to and from subsidiaries

	COMPANY	
	31 Mar 2022	31 Mar 2021
	$'000	$'000
Loan to subsidiaries (Non-current)	388,428	360,722

$45,000,000 (2021: $45,000,000) is unsecured, bears interest at 1.5% per annum above the 12 months SGD SIBOR and is repayable by 31 March 2024.

$3,105,000 (2021: Nil) is unsecured, bears interest at 5% per annum and is repayable by April 2024.

The remaining loans to subsidiaries of $340,323,000 (2021: $315,722,000) are unsecured, non-interest bearing, repayable on demand and not expected to be repaid in the next 12 months.

	COMPANY	
	31 Mar 2022	31 Mar 2021
	$'000	$'000
Loan from subsidiaries (current)	(167,800)	(169,900)

Loan from subsidiaries is unsecured, bears interest at 0.15% per annum and repayable on demand.

18. INVESTMENT IN ASSOCIATES

	GROUP		COMPANY	
	31 Mar 2022 $'000	31 Mar 2021 $'000	31 Mar 2022 $'000	31 Mar 2021 $'000
Quoted shares, at cost	116,428	116,428	–	–
Unquoted shares, at cost	385,385	478,048	282,811	375,474
Impairment loss	(58,365)	(58,365)	(61,550)	(40,053)
Share of post-acquisition results	112,940	191,101	–	–
Accumulated amortisation of intangible assets	(63,986)	(76,976)	–	–
Share of statutory reserves of associates	13,948	13,343	–	–
Share of changes recognised directly in associates' equity	(13,580)	(13,957)	–	–
Foreign currency translation adjustments	(98,959)	(128,828)	–	–
	393,811	520,794	221,261	335,421

There was no impairment charge recorded in the financial year ended 31 March 2022 (2021: $31,500,000).

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.

Amounts due from associates

The amounts due from associates amounting to $2,264,000 (2021: $1,095,000) are unsecured, trade-related and are repayable on demand. Impairment loss of nil (2021: $952,000) was provided for in the financial year for amount due from the associates.

18. INVESTMENT IN ASSOCIATES (cont'd)

Name of companies	Principal activities (Place of business)	GROUP Cost of investment 31 Mar 2022 $'000	Cost of investment 31 Mar 2021 $'000	Equity held 31 Mar 2022 %	Equity held 31 Mar 2021 %
Held by the Company					
Maldives Inflight Catering Private Limited [b, k]	Inflight catering services (Republic of Maldives)	287	287	35.0	35.0
Beijing Airport Inflight Kitchen Limited [c, k]	Inflight catering services (People's Republic of China)	13,882	13,882	28.0	28.0
Beijing Aviation Ground Services Co., Ltd [e, k]	Airport ground handling services (People's Republic of China)	17,101	17,101	29.0	29.0
Aviserv Limited [f, k] (Incorporated in Ireland)	Inflight catering services (Pakistan)	3,313	3,313	49.0	49.0
Tan Son Nhat Cargo Services Joint Stock Company Limited [g, k]	Air cargo handling services (Vietnam)	979	979	15.0	15.0
Asia Airfreight Terminal Company Limited [b,m]	Air cargo handling services (Hong Kong)	–	92,663	–	49.0
Servair-SATS Holding Company Pte Ltd [h, k]	Investment holding company (Singapore)	509	509	49.0	49.0
MacroAsia Catering Services, Inc. [h, k]	Inflight catering services (Philippines)	11,604	11,604	33.0	33.0
Evergreen Airline Services Corporation [g, k]	Airport ground handling services (Taiwan)	5,404	5,404	20.0	20.0
Evergreen Air Cargo Services Corporation [i, k]	Air cargo handling services (Taiwan)	16,163	16,163	25.0	25.0
Taj SATS Air Catering Limited [b]	Catering services (India)	24,646	24,646	49.0	49.0
PT Jasa Angkasa Semesta, Tbk [h, k]	Ground and cargo handling (Indonesia)	105,532	105,532	49.8	49.8
Evergreen Sky Catering Corporation [g, k]	Inflight catering services (Taiwan)	39,765	39,765	25.0	25.0

18. INVESTMENT IN ASSOCIATES (cont'd)

		GROUP			
		Cost of investment		Equity held	
Name of companies	Principal activities (Place of business)	31 Mar 2022 $'000	31 Mar 2021 $'000	31 Mar 2022 %	31 Mar 2021 %
Held by the Company (cont'd)					
SATS HK Limited [i, k]	Ramp services, passenger handling services and operations control services (Hong Kong)	14,813	14,813	49.0	49.0
KrisShop Pte. Ltd. [a]	Travel retail business, offer inflight and ground-based duty-free and duty paid goods (Singapore)	7,316	7,316	15.0	15.0
Beijing CAH SATS Aviation Services Co., Ltd. [d, k]	Ground and cargo handling Services (People's Republic of China)	21,497	21,497	40.0	40.0
		282,811	375,474		
Held through TFK Corporation					
Tasco Foods Co., Ltd.[l]	Production and sales of confectionery (Japan)	2,748	2,748	29.6	29.6
Held through SATS Investments Pte. Ltd.					
Brahim's SATS Investment Holdings Sdn. Bhd. [j, k]	Investment holding company (Malaysia)	49,057	49,057	49.0	49.0
Oman SATS LLC [i, k] (Formerly known as Oman Air SATS Cargo LLC)	Air cargo handling services (Oman)	23,038	23,038	33.0	33.0
Held through SATS Investments (II) Pte. Ltd. & Cemerlang Pte. Ltd.					
PT Cardig Aero Services Tbk [h, k]	Aviation support and catering services (Indonesia)	116,428	116,428	41.7	41.7
Held through SATS Investments (II) Pte. Ltd.					
Mumbai Cargo Service Center Airport Private Limited [b]	Air cargo handling services (India)	16,363	16,363	49.0	49.0
Held through SATS Catering Pte. Ltd.					
PT Purantara Mitra Angkasa Dua [h, k]	Aviation catering services (Indonesia)	11,368	11,368	20.0	20.0
		501,813	594,476		

18. INVESTMENT IN ASSOCIATES (cont'd)

a Audited by KPMG, Singapore.
b Audited by member firms of KPMG International in the respective countries.
c Audited by Beijing Zhong Rui Cheng Certified Public Accountants Co., Ltd.
d Audited by ShineWing Certified Public Accountants, Beijing.
e Audited by Grant Thornton, China.
f Audited by Fitzgerald & Associates, Ireland.
g Audited by Deloitte and Touche and its member firms.
h Audited by Ernst & Young and its member firms.
i Audited by PricewaterhouseCoopers and its member firms.
j Audited by Baker Tilly Monteiro Heng PLT.
k Financial year end on 31 December.
l Not required to be audited under the laws of their countries of incorporation.
m Reclassified to investment in subsidiaries following a step-up acquisition (Note 17).

There was no associate company that was considered as significant in accordance to Rule 718 of the Singapore Exchange Securities Trading Limited – Listing Rules.

The Group has not recognised losses where its share of losses exceeds the Group's interest in the associate. The Group's cumulative share of unrecognised losses at the end of the reporting period was $65,484,000 (2021: $27,726,000), of which $37,758,000 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 provided a proportionate guarantee up to a maximum amount of approximately $31,253,000 (2021: $35,146,000) to financial institutions for providing credit and banking facilities to an associate, which the Group is liable for in the event of default by the associate.

The Group's material investments in associates are summarised below:

	31 March 2022 $'000	31 March 2021 $'000
PT Jasa Angkasa Semesta, Tbk ("PT Jas")	66,978	56,354
Asia Airfreight Terminal Company Limited ("AAT")	–	127,542
PT Cardig Aero Services Tbk ("PT Cas")	87,776	89,969
Evergreen Sky Catering Corporation ("ESCC")	61,041	68,981
Other associates	178,016	177,948
	393,811	520,794
Fair value of PT Cas based on the quoted market price at reporting date (Level 1 in the fair value hierarchy)	30,231	28,616

Aggregate information about the Group's investments in associates that are not individually material are as follows:

	2021-22 $'000	2020-21 $'000
Share of profit/(loss) after tax	5,278	(57,514)
Other comprehensive income	1,020	(3,951)
Total comprehensive income	6,298	(61,465)

18. INVESTMENT IN ASSOCIATES (cont'd)

The summarised financial information in respect of PT Jas, AAT, 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:

Summarised statement of comprehensive income:

	PT Jas		AAT		PT Cas		ESCC	
	2021-22 $'000	2020-21 $'000	2021-22 $'000	2020-21 $'000	2021-22 $'000	2020-21 $'000	2021-22 $'000	2020-21 $'000
Revenue	117,307	81,870	152,474	145,672	135,329	101,035	33,122	19,306
Profit/(loss) after tax	24,621	7,868	16,394	27,591	(2,493)	(6,663)	(24,640)	(27,406)
Other comprehensive income	–	–	–	–	(700)	(454)	680	547
Total comprehensive income	24,621	7,868	16,394	27,591	(3,193)	(7,117)	(23,960)	(26,859)

Summarised statement of financial position as at 31 March:

	PT Jas		AAT*		PT Cas		ESCC	
	31 Mar 2022 $'000	31 Mar 2021 $'000	31 Mar 2022 $'000	31 Mar 2021 $'000	31 Mar 2022 $'000	31 Mar 2021 $'000	31 Mar 2022 $'000	31 Mar 2021 $'000
Current assets	67,928	44,018	–	180,478	64,632	58,081	38,870	45,925
Non-current assets excluding goodwill	33,258	34,619	–	240,508	80,581	78,974	321,550	326,997
Goodwill	–	–	–	–	1,443	1,428	–	–
Total assets	101,186	78,637	–	420,986	146,656	138,483	360,420	372,922
Current liabilities	44,123	41,444	–	182,867	81,045	74,691	20,108	18,679
Non-current liabilities	8,572	9,121	–	9,338	14,004	16,255	115,718	104,975
Total liabilities	52,695	50,565	–	192,205	95,049	90,946	135,826	123,654
Net assets	48,491	28,072	–	228,781	51,607	47,537	224,594	249,268

* AAT became a subsidiary during the year subsequent to step-up acquisition of additional 16.4% equity interest.

18. INVESTMENT IN ASSOCIATES (cont'd)

	PT Jas		AAT		PT Cas		ESCC	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Net assets excluding goodwill	48,491	28,072	–	228,781	50,164	46,109	224,594	249,268
Less: Non-controlling interest	–	–	–	–	(18,722)	(12,567)	–	–
	48,491	28,072	–	228,781	31,442	33,542	224,594	249,268
Proportion of the Group's ownership	49.8%	49.8%	–	49.0%	41.7%	41.7%	25.0%	25.0%
Group's share of net assets	24,148	13,980	–	112,103	13,096	13,970	56,148	62,317
Goodwill on acquisition and intangible assets	42,830	42,374	–	15,439	74,680	75,999	4,893	6,664
Carrying amount of the investment	66,978	56,354	–	127,542	87,776	89,969	61,041	68,981
Group's interest in net assets of investee at beginning of the year	56,354	51,836	127,542	126,743	89,969	88,950	68,981	78,231
Group's share of:								
Profit/(loss) after tax	12,261	3,918	8,033	13,520	(3,160)	(4,971)	(8,175)	(8,824)
Other comprehensive income	347	3,544	(229)	(7,607)	967	5,990	235	433
Equity stake disposed	–	–	(118,485)	–	–	–	–	–
Total comprehensive income	12,608	7,462	(110,681)	5,913	(2,193)	1,019	(7,940)	(8,391)
Dividends received during the year	(1,984)	(2,944)	(16,861)	(5,114)	–	–	–	(859)
Carrying amount of interest in investee at end of the year	66,978	56,354	–	127,542	87,776	89,969	61,041	68,981

19. INVESTMENT IN JOINT VENTURES

	GROUP		COMPANY	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	$'000	$'000	$'000	$'000
Unquoted shares, at cost	34,126	34,126	12,014	12,014
Post-acquisition revenue reserve capitalised as share capital	3,090	3,090	–	–
Share of post-acquisition results	37,129	34,212	–	–
Others	(325)	(470)	–	–
Foreign currency translation	(13,814)	(13,573)	–	–
	60,206	57,385	12,014	12,014

Amounts due from/to joint ventures

The amounts due from joint ventures amounting to $59,000 (2021: $109,000) and amount due to joint ventures amounting to $11,400,000 (2021: $11,400,000) are unsecured, trade-related and are repayable on demand. Impairment loss of nil (2021: $1,369,000) was provided for in the financial year for amount due from a joint venture.

Joint ventures

		GROUP			
		Cost of investment		Equity held	
Name of companies	Principal activities (Place of business)	31 Mar 2022 $'000	31 Mar 2021 $'000	31 Mar 2022 %	31 Mar 2021 %
Held by the Company					
Air India SATS Airport Services Private Limited [a]	Ground handling and cargo handling services (India)	12,014	12,014	50.0	50.0
Unquoted shares held by Company, at cost		12,014	12,014		

19. INVESTMENT IN JOINT VENTURES (cont'd)

Joint ventures (cont'd)

		GROUP			
		Cost of investment		Equity held	
Name of companies	Principal activities (Place of business)	31 Mar 2022 $'000	31 Mar 2021 $'000	31 Mar 2022 %	31 Mar 2021 %
Held through SATS Food Services Pte. Ltd					
SG IPF Pte. Ltd.[b]	Investment holding (Singapore)	12,957	12,957	60.0	60.0
Held through SATS Asia–Pacific Star					
DFASS SATS Pte. Ltd. [b]	Inflight duty-free and duty-paid sales, offer mail order and pre-order service, supply liquor for inflight pantry services, and operate ground based duty-free and duty-paid retail sales (Singapore)	9,019	9,019	50.0	50.0
Held through SATS Airport Services Pte Ltd					
SATS PPG Singapore Pte. Ltd. [b]	Manage and operate airport lounge (Singapore)	136	136	50.0	50.0
		34,126	34,126		

a Audited by member firm of KPMG International.
b Audited by KPMG, Singapore.

The Group's material investments in joint ventures are summarised below:

	31 Mar 2022 $'000	31 Mar 2021 $'000
Air India SATS Airport Services Private Limited	35,146	32,758
Other joint ventures	25,060	24,627
	60,206	57,385

Aggregate information about the Group's investments in joint ventures that are not individually material are as follows:

	2021-22 $'000	2020-21 $'000
Share of loss after tax	(78)	(596)
Other comprehensive income	763	270
Total comprehensive income	685	(326)

19. INVESTMENT IN JOINT VENTURES (cont'd)

The summarised financial information in respect of Air India SATS Airport Services Private Limited ("AISATS") based on the company's financial statement and a reconciliation with the carrying amount of the investment in consolidated financial statements are as follows:

	AISATS	
	2021-22	2020-21
	$'000	$'000
Revenue	103,137	76,369
Operating expenses	(92,257)	(98,297)
Interest expenses	(2,169)	(5,240)
Profit/(loss) before tax	8,711	(27,168)
Income tax (expense)/credit	(2,722)	3,575
Profit/(loss) after tax	5,989	(23,593)
Total comprehensive income	5,989	(23,593)

Summarised statement of financial position as follow:

	AISATS	
	31 Mar 2022	31 Mar 20221
	$'000	$'000
Cash and cash equivalents	7,270	845
Inventories	2,228	2,283
Other receivable	–	2,096
Trade receivable	23,302	28,751
Current assets	32,800	33,975
Non-current assets	93,268	99,391
Total assets	126,068	133,366
Current liabilities	27,821	42,196
Non-current liabilities	27,955	25,653
Total liabilities	55,776	67,849
Net assets	70,292	65,517
Proportion of the Group's ownership	50.0%	50.0%
Group's share of net assets	35,146	32,758
Carrying amount of the investment	35,146	32,758
Group's interest in net assets of investee at beginning of the year	32,758	46,232
Group's share of total comprehensive income	2,388	(13,474)
Carrying amount of interest in investee at end of the year	35,146	32,758

20. LONG-TERM INVESTMENTS

	GROUP		COMPANY	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	$'000	$'000	$'000	$'000
Quoted equity investment	303	303	–	–
Unquoted equity investment	6,060	6,060	6,060	6,060
Loan, secured	7,894	8,065	–	–
Others	320	113	–	–
	14,577	14,541	6,060	6,060

The secured loan of $7,894,000 (2021: $8,065,000) refers to an investment in a 5-year secured loan of US$5,833,000 (2021: US$5,833,000) with interest rate of 6.5% (2021: 6.5%) per annum (Note 31(c)).

No impairment charge was recorded in the current financial year (2021: $12,500,000).

21. DEFERRED TAXATION

	GROUP			
	Consolidated Statement of Financial Position		Consolidated Income Statement	
	31 Mar 2022	31 Mar 2021	2021-22	2020-21
	$'000	$'000	$'000	$'000
Deferred tax liabilities				
Property, plant and equipment	42,986	47,143	3,567	726
Intangible assets	31,758	18,354	2,021	2,864
Accrued expenses	(2,818)	(683)	658	(414)
Defined benefit plan	58	58	–	–
Unremitted foreign dividend and interest income	6,478	6,478	–	–
Fair value gain	2,639	1,112	–	–
Unutilised tax losses/capital allowances	(3,975)	(18,391)	3,474	16,146
Undistributed earnings of associates/joint ventures	13,941	13,557	(1,213)	2,082
Other temporary differences	(627)	1,048	(58)	563
	90,440	68,676		
Deferred tax assets				
Provisions	3,711	2,561	(1,501)	272
Unutilised tax losses	49,771	28,770	27,389	24,628
Property, plant and equipment	3,925	2,976	1,063	694
	57,407	34,307	35,400	47,561

	COMPANY	
	31 Mar 2022	31 Mar 2021
	$'000	$'000
Deferred tax liabilities		
Property, plant and equipment	21,520	22,311
Accrued expenses	(1,551)	(1,146)
Unremitted foreign dividend and interest income	6,944	6,478
	26,913	27,643

21. DEFERRED TAXATION (cont'd)

Unrecognised tax losses

As at 31 March 2022, the Group has tax losses of approximately $20,113,000 (2021: $33,326,000) 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 is 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.

22. OTHER NON-CURRENT ASSETS

Other non-current assets relate mainly to long-term prepayments and lease deposits.

23. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	$'000	$'000	$'000	$'000
Trade receivables	136,439	132,512	604	3,050
Staff loans	265	563	59	363
Sundry receivables	60,458	24,189	2,462	1,519
Government grant receivables	50,718	63,532	2,506	11,825
Amounts due from related parties – Trade	139,841	70,710	–	–
Amounts due from related companies – Non-trade	–	–	152,829	65,429
	387,721	291,506	158,460	82,186

Trade receivables are generally on 30 – 90 day terms.

Trade receivables denominated in foreign currencies at 31 March are as follows:

	GROUP		COMPANY	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	$'000	$'000	$'000	$'000
United States Dollar	2,850	9,311	–	–

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.

23. TRADE AND OTHER RECEIVABLES (cont'd)

Trade receivables are stated after impairment. Analysis of the impairment account is as follows:

	GROUP		COMPANY	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	$'000	$'000	$'000	$'000
Balance at 1 April	13,631	2,663	116	22
Exchange differences	336	(124)	–	–
Write-off against provisions	(141)	(287)	–	–
Charge to/(write-back) income statement	11,134	11,379	(57)	94
Acquisition of subsidiary	1,281	–	–	–
Balance at 31 March	26,241	13,631	59	116
Bad debts (recovered)/write-off directly to income statement	(218)	(1,416)	162	1

Staff loans

There was no interest charge on the staff loans for FY2021-22 and FY2020-21.

Sundry receivables

Sundry receivables are unsecured, interest-free and repayable upon demand.

Amounts due from related parties

The amounts due from related parties are trade-related, with a credit term of 45 days.

Amounts due from related companies

The amounts due from related companies are unsecured, interest-free and are repayable upon demand.

24. INVENTORIES

	GROUP		COMPANY	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	$'000	$'000	$'000	$'000
Food supplies and dry stores	71,345	119,488	–	–
Technical spares	10,849	10,121	–	–
Other consumables	961	445	757	265
	83,155	130,054	757	265
Income Statement:				
Inventories recognised as an expense	259,962	228,593	–	–
Inclusive:				
Inventories written down	806	1,584	–	–

25. CASH AND CASH EQUIVALENTS

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.00% to 2.5 % (2021: 0.00% to 1.6%) per annum. Short-term deposits are made for varying periods of between 12 days and 12 months depending on the expected cash requirements of the Group, and earn interest at the effective interest rate ranging from 0.00% to 2.96 % (2021: 0.00% to 1.8%) 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 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	$'000	$'000	$'000	$'000
Fixed deposits	566,161	767,753	459,509	745,000
Cash and bank balances	219,880	112,096	46,272	16,558
	786,041	879,849	505,781	761,558

(b) Analysis of capital expenditure cash flows:

	GROUP	
	2021-22	2020-21
	$'000	$'000
Additions of property, plant and equipment (Note 14.1)	62,605	37,825
Additions of intangible assets (Note 16)	16,654	24,787
Accrual for purchases of property, plant and equipment (Note 26)	(1,270)	(1,078)
Cash invested in property, plant and equipment and intangible assets	77,989	61,534

(c) Cash and cash equivalents denominated in foreign currencies at 31 March are as follows:

	GROUP		COMPANY	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	$'000	$'000	$'000	$'000
Australian Dollar	3,054	21	–	–
United States Dollar	4119	934	3,891	1,870
Japanese Yen	241	471	241	471
Euro	90	–	–	–

26. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	$'000	$'000	$'000	$'000
Current:				
Trade payables	248,063	158,777	16,605	10,659
Tender deposits	4,229	3,661	3,309	2,539
Accrued expenses	180,721	178,782	29,442	17,089
Purchase of property, plant and equipment	18,044	16,774	526	15
Others	4,896	125	–	–
	207,890	199,342	33,277	19,643
Amounts due to related companies	1,993	404	7	225
Deposits placed by subsidiaries	–	–	82,824	91,534
Trade and other payables	457,946	358,523	132,713	122,061
Non-current:				
Deferred considerations	20,319	18,537	–	–
Accrued expenses	22,452	26,419	6,710	8,219
Other payables	42,771	44,956	6,710	8,219

Trade and other payables 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.

Trade and other payables denominated in foreign currencies are as follows:

	GROUP		COMPANY	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	$'000	$'000	$'000	$'000
Australian Dollar	423	146	–	–
Euro	180	55	–	–
United States Dollar	1,407	2,256	184	–
Japanese Yen	–	79	–	–

Amounts due to related companies

These amounts are trade-related, unsecured, non-interest bearing and repayable on demand. Purchases from related companies are made at agreed terms.

27. TERM LOANS

	GROUP		COMPANY	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	$'000	$'000	$'000	$'000
Unsecured:				
Repayable within one year	88,601	134,062	–	94,801
Repayable after one year	109,127	234,850	86,646	150,000
	197,728	368,912	86,646	244,801
Secured:				
Repayable within one year	13,084	9,231	–	–
Total term loans	210,812	378,143	86,646	244,801
Represented by:				
Current	101,685	143,293	–	94,801
Non-current	109,127	234,850	86,646	150,000
	210,812	378,143	86,646	244,801

As at 31 March 2022, there were nine (2021: six) unsecured loans held by the Group and one (2021: three) unsecured loan held by the Company. The unsecured loan, held by the Company, has an interest rate of 0.64% per annum and maturity date of June 2026. On 30 April 2021, the Company has fully paid a term loan of $150,000,000 ahead of its maturity.

There were ten (2021: ten) secured term loans held by the Group as at 31 March 2022. The loans as at 31 March 2022 were secured on the property, plant and equipment and other assets of the subsidiaries.

Weighted average effective interest rate at the end of reporting period

Interest Rates	GROUP		COMPANY	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	%	%	%	%
Unsecured term loans:				
Fixed rate	0.76%-5.00%	1.20%-2.49%	–	1.66%
Floating rate	4.45%	0.49%	0.62%	0.49%
Secured term loans:				
Fixed rate	0.50%-5.60%	3.20%-5.80%	–	–

Hedge of net investments in foreign operations

Included in term loans as at 31 March 2022 was the term loan of JPY 7.8 billion (2021: JPY 7.8 billion), approximately $86.6 million (2021: $94.8 million), which have been designated as a hedge of the net investment in its subsidiary, TFK Corporation in Japan, and is being used to hedge the Group's exposure to foreign exchange risk on this investment. Foreign exchange gains or losses on the translation of this term loan are transferred to equity to offset any gains or losses on translation of the net investment in the subsidiary. There is no ineffectiveness portion transferred to profit or loss in the year ended 31 March 2022 (2021: Nil).

27. TERM LOANS (cont'd)

Reconciliation of movements of liabilities to cash flows from financing activities

	Term Loans $'000	Leases $'000	Note Payable $'000	Total $'000
At 1 April 2020	214,835	209,606	200,000	624,441
Changes from financing cash flows				
Proceeds from borrowings	383,211	–	99,465	482,676
Repayment of term loans	(209,064)	–	–	(209,064)
Repayment of finance leases and related charges	–	(29,120)	–	(29,120)
Effect of changes in foreign exchange rates	(7,490)	(6,267)	–	(13,757)
Other changes				
Addition of lease liabilities	–	17,285	–	17,285
Interest expense/professional fees	2,202	5,449	535	8,186
Termination of contracts	–	(1,662)	–	(1,662)
Upon recognition of loan	(5,551)	–	–	(5,551)
31 March 2021 and 1 April 2021	378,143	195,291	300,000	873,434
Changes from financing cash flows				
Proceeds from borrowings	21,077	–	–	21,077
Repayment of term loans	(181,994)	–	–	(181,994)
Repayment of finance leases and related charges	–	(25,986)	–	(25,986)
Effect of changes in foreign exchange rates	(8,455)	(5,816)	–	(14,271)
Other changes				
Acquisition of subsidiaries	–	136,598	–	136,598
Addition of lease liabilities	–	25,682	–	25,682
Interest expense/professional fees	2,041	5,125	–	7,166
Termination of contracts	–	(3,862)	–	(3,862)
Balance at 31 March 2022	210,812	327,032	300,000	837,844

28. NOTES PAYABLE

	GROUP		COMPANY	
	31 Mar 2022 $'000	31 Mar 2021 $'000	31 Mar 2022 $'000	31 Mar 2021 $'000
Notes payable	300,000	300,000	300,000	300,000

Notes payable at 31 March 2022 and 31 March 2021 comprised unsecured notes issued by the Company. The details are set out below.

28. NOTES PAYABLE (cont'd)

Multicurrency Medium Term Note Programme

Series	Year of issuance	Fixed interest rate per annum (%)	Date payable	31 Mar 2022 $'000	31 Mar 2021 $'000
001	2020	2.88	Mar 2025	200,000	200,000
002	2021	2.60	Apr 2025	100,000	100,000

29. 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 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	
	2021-22	2020-21
	$'000	$'000
Services rendered by:		
Related parties	33,212	24,453
Sales to:		
Related parties	345,321	234,832

Directors' and key executives' remuneration

	GROUP	
	2021-22	2020-21
	$'000	$'000
Directors		
Directors' fees (Note 6)		
– paid by the Company	1,191	980
Key executives		
Salary, bonuses and other costs	5,405	6,710
CPF and other defined contributions	56	58
Share-based compensation expense (net of reversal)	261	3,111
	5,722	9,879

30. CAPITAL AND OTHER COMMITMENTS

The Group and the Company have commitments for capital expenditure. Such commitments aggregated to $89.0 million (2021: $92.5 million) for the Group and $20.4 million (2021: $21.6 million) for the Company. In aggregate, these commitments are not at prices in excess of current market prices.

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Risk Management

The Group operates principally in Singapore and generates revenue mainly in Singapore Dollars. The Group also has investments outside of Singapore and it operates in more than 13 countries. 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.

Financial risk management policies are periodically reviewed and approved by the Board of Directors. 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 bank 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 2022		31 Mar 2021	
GROUP	USD	AUD	USD	AUD
	$'000	$'000	$'000	$'000
Trade and other receivables	2,850	–	9,311	–
Cash and cash equivalents	4,119	3,054	934	21
Loan, secured	7,894	–	8,065	–
Trade and other payables	(1,407)	(423)	(2,256)	(146)
	13,456	2,631	16,054	(125)

The following significant exchange rates have been applied.

	Average rate		Year–end spot rate	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
USD	1.348	1.363	1.353	1.345
AUD	0.995	0.985	1.012	1.024

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (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 AUD 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	
	2022	2021
	$'000	$'000
USD (5% strengthening)	(673)	(803)
AUD (5% strengthening)	(132)	6
USD (5% weakening)	673	803
AUD (5% weakening)	132	(6)

(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 and USD. Information relating to other interest-bearing assets and liabilities are disclosed in the cash and cash equivalents (Note 25) and term loans (Note 27).

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.
- Changes in market interest rates affecting the carrying value of financial instruments with fixed interest rates if these are recognised at their fair value.

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 March		COMPANY 31 March	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Effect of an increase in 50 basis points in market interest rates				
Profit/(loss) before tax	642	94	(807)	(1,016)
Effect of a decrease in 50 basis points in market interest rates				
Profit/(loss) before tax	(642)	(94)	807	1,016

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

(c) 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 2022 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.

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	
GROUP	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	$'000	$'000	%	%
By industry				
Airlines	174,131	90,644	14.8	7.7
Financial institutions	786,041	876,072	66.7	74.7
Others	218,065	205,843	18.5	17.6
	1,178,237	1,172,559	100.0	100.0
By region				
Singapore	894,132	1,076,632	75.9	91.8
Japan	18,145	33,909	1.5	2.9
Others	265,960	62,018	22.6	5.3
	1,178,237	1,172,559	100.0	100.0
COMPANY				
By industry				
Airlines	537	3,749	0.1	0.3
Financial institutions	505,781	761,558	47.9	63.2
Related parties	541,316	426,152	51.2	35.4
Others	8,679	13,810	0.8	1.1
	1,056,313	1,205,269	100.0	100.0
By region				
Singapore	1,004,880	1,159,543	95.1	96.2
Others	51,433	45,726	4.9	3.8
	1,056,313	1,205,269	100.0	100.0

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

(c) Credit Risk (cont'd)

Trade receivables

At the end of the reporting period, approximately:

- 50% (2021: 35%) of the Group's trade receivables were due from a major customer located in Singapore.
- 51% (2021: 36%) 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.

GROUP	Weighted average loss rate		Gross carrying value		Impairment loss allowance	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	%	%	$'000	$'000	$'000	$'000
Not past due	–	0.1	172,150	141,427	–	143
Past due 1 to 30 days	1.03	1.08	36,385	30,022	375	323
Past due 31 to 90 days	11.22	0.96	40,021	13,287	4,490	127
More than 90 days	39.61	40.60	53,965	32,117	21,376	13,038
			302,521	216,853	26,241	13,631

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 2022 are current. The Group assesses that no allowance for impairment loss on other receivables is required.

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

(c) Credit Risk (cont'd)

Amount due from related companies – Non-trade and loan to subsidiaries

The Company held non-trade receivables due from its related companies of $152,829,000 (2021: $65,429,000) and loan to subsidiaries of $388,428,000 (2021: $360,722,000). 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.

Financial guarantees

The Group has issued financial guarantees to financial institution for granting of credit and banking facilities to its associate (see Note 18). 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 $786.0 million as at 31 March 2022 (2021: $879.8 million). The cash and cash equivalents are held with bank and financial institution counterparties.

	Group			
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	$'000	$'000	%	%
Investment grade (A to Aaa)	759,205	864,911	96.6	98.3
Others	26,836	14,938	3.4	1.7
	786,041	879,849	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.

Loan, secured

The Group held a 5-year secured loan which has been fully collaterised with quoted equity shares. The carrying amount of the loan is $11,276,000 (2021: $ 11,209,000) As the estimated fair value of the quoted shares is higher than the carrying value of the secured loan, the Group assesses that no allowance for credit losses is required.

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

(d) Liquidity Risk

As at 31 March 2022, the Group had at its disposal, cash and cash equivalents amounting to $786.0 million (2021: $879.8 million). In addition, the Group has available short-term credit facilities of approximately $564.3 million (2021: $545.1 million) from revolving credit facilities granted by commercial banks. The Group also has a Medium Term Note Programme to issue notes up to $2 billion (2021: $2 billion), out of which the Group has issued $300 million (2021: $300 million) notes as at 31 March 2022.

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.

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	1–2 years	2–5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000	$'000
31 March 2022					
Financial assets:					
Trade and other receivables	387,721	–	–	–	387,721
Amount due from associates/ joint ventures	2,323	–	–	–	2,323
Loan to associates	–	–	2,152	–	2,152
Cash and cash equivalents	786,041	–	–	–	786,041
Total undiscounted financial assets	1,176,085	–	2,152	–	1,178,237
Financial liabilities:					
Trade and other payables	437,159	29,528	4,397	8,846	479,930
Amount due to joint ventures	11,400	–	–	–	11,400
Term loans	110,473	2,395	8,151	96,919	217,938
Notes payable	8,360	8,360	308,531	–	325,251
Lease liabilities	49,934	46,589	123,897	163,572	383,992
Total undiscounted financial liabilities	617,326	86,872	444,976	269,337	1,418,511
Total net undiscounted financial assets/(liabilities)	558,759	(86,872)	(442,824)	(269,337)	(240,274)
31 March 2021					
Financial assets:					
Trade and other receivables	291,506	–	–	–	291,506
Amount due from associates/ joint ventures	1,204	–	–	–	1,204
Cash and cash equivalents	879,849	–	–	–	879,849
Total undiscounted financial assets	1,172,559	–	–	–	1,172,559
Financial liabilities:					
Trade and other payables	315,319	31,577	3,634	9,745	360,275
Amount due to joint ventures	11,400	–	–	–	11,400
Term loans	165,046	60,071	154,054	6,822	385,993
Notes payable	8,360	8,360	316,720	–	333,440
Lease liabilities	23,052	18,813	51,047	155,452	248,364
Total undiscounted financial liabilities	523,177	118,821	525,455	172,019	1,339,472
Total net undiscounted financial assets/(liabilities)	649,382	(118,821)	(525,455)	(172,019)	(166,913)

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

(d) Liquidity Risk (cont'd)

COMPANY	Within 1 year	1–2 years	2–5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000	$'000
31 March 2022					
Financial assets:					
Trade and other receivables	158,460	–	–	–	158,460
Amount due from associates/ joint ventures	1,492	–	–	–	1,492
Loan to subsidiaries	–	48,105	–	340,323	388,428
Loan to associates	–	–	2,152	–	2,152
Cash and cash equivalents	505,781	–	–	–	505,781
Total undiscounted financial assets	665,733	48,105	2,152	340,323	1,056,313
Financial liabilities:					
Loan from subsidiaries	168,052	–	–	–	168,052
Term loans	533	533	1,599	86,780	89,445
Notes payable	8,360	8,360	308,531	–	325,251
Trade and other payables	132,689	5,221	–	–	137,910
Total undiscounted financial liabilities	309,634	14,114	310,130	86,780	720,658
Total net undiscounted financial assets/(liabilities)	356,099	33,991	(307,978)	253,543	335,655
31 March 2021					
Financial assets:					
Trade and other receivables	82,186	–	–	–	82,186
Amount due from associates/ joint ventures	803	–	–	–	803
Loan to subsidiaries	–	–	45,000	315,722	360,722
Cash and cash equivalents	761,558	–	–	–	761,558
Total undiscounted financial assets	844,547	–	45,000	315,722	1,205,269
Financial liabilities:					
Loan from subsidiaries	169,922	–	–	–	169,922
Term loans	95,112	–	152,490	–	247,602
Notes payable	8,360	8,360	316,720	–	333,440
Trade and other payables	119,551	6,738	–	–	126,289
Total undiscounted financial liabilities	392,945	15,098	469,210	–	877,253
Total net undiscounted financial assets/(liabilities)	451,602	(15,098)	(424,210)	315,722	328,016

31. FINANCIAL INSTRUMENTS AND 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	Amortised costs	FVOCI	FVTPL	Other financial liabilities	Total
	$'000	$'000	$'000	$'000	$'000
31 March 2022					
Assets					
Long-term investments	8,214	303	6,060	–	14,577
Trade and other receivables	387,721	–	–	–	387,721
Amount due from associates/ joint ventures	2,323	–	–	–	2,323
Cash and cash equivalents	786,041	–	–	–	786,041
	1,184,299	303	6,060	–	1,190,662
Total non-financial assets					2,101,625
Total assets					3,292,287
Liabilities					
Amount due to joint ventures	–	–	–	11,400	11,400
Term loans	–	–	–	210,812	210,812
Notes payables	–	–	–	300,000	300,000
Lease liabilities	–	–	–	327,032	327,032
Trade and other payables	–	–	–	456,699	456,699
Deferred consideration	–	–	20,319	–	20,319
	–	–	20,319	1,305,943	1,326,262
Total non-financial liabilities					132,318
Total liabilities					1,458,580
31 March 2021					
Assets					
Long-term investments	8,178	303	6,060	–	14,541
Trade and other receivables	291,506	–	–	–	291,506
Amount due from associates/ joint ventures	1,204	–	–	–	1,204
Cash and cash equivalents	879,849	–	–	–	879,849
	1,180,737	303	6,060	–	1,187,100
Total non-financial assets					1,904,718
Total assets					3,091,818
Liabilities					
Amount due to associates/ joint ventures	–	–	–	11,400	11,400
Term loans	–	–	–	378,143	378,143
Notes payable	–	–	–	300,000	300,000
Lease liabilities	–	–	–	195,291	195,291
Trade and other payables	–	–	–	340,569	340,569
Deferred consideration	–	–	18,537	–	18,537
	–	–	18,537	1,225,403	1,243,940
Total non-financial liabilities					149,078
Total liabilities					1,393,018

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

Classification of Financial Instruments (cont'd)

COMPANY	Amortised costs $'000	FVTPL $'000	Other financial liabilities $'000	Total $'000
31 March 2022				
Assets				
Long-term investment	–	6,060	–	6,060
Trade and other receivables	158,460	–	–	158,460
Loan to subsidiaries	388,428	–	–	388,428
Loan to associate	2,152	–	–	2,152
Amount due from associates/ joint ventures	1,492	–	–	1,492
Cash and cash equivalents	505,781	–	–	505,781
	1,056,313	6,060	–	1,062,373
Total non-financial assets				1,411,982
Total assets				2,474,355
Liabilities				
Loan from subsidiaries	–	–	167,800	167,800
Term loans	–	–	86,646	86,646
Notes payable	–	–	300,000	300,000
Trade and other payables	–	–	137,910	137,910
Lease liabilities	–	–	60,856	60,856
	–	–	753,212	753,212
Total non-financial liabilities				38,151
Total liabilities				791,363
31 March 2021				
Assets				
Long-term investment	–	6,060	–	6,060
Trade and other receivables	82,186	–	–	82,186
Loan to subsidiaries	360,722	–	–	360,722
Amount due from associates/joint ventures	803	–	–	803
Cash and cash equivalents	761,558	–	–	761,558
	1,205,269	6,060	–	1,211,329
Total non-financial assets				1,378,302
Total assets				2,589,631
Liabilities				
Loan from subsidiaries	–	–	169,900	169,900
Term loans	–	–	244,801	244,801
Notes payable	–	–	300,000	300,000
Trade and other payables	–	–	126,289	126,289
Lease liabilities	–	–	63,729	63,729
	–	–	904,719	904,719
Total non-financial liabilities				46,776
Total liabilities				951,495

31. FINANCIAL INSTRUMENTS AND 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 deferred consideration classified as other payables are categories 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, term loans and finance leases. The carrying amount of the secured loan receivables approximate the fair value of the quoted price of the pledged shares.

32. LEASES

Leases as lessee

The Group leases offices, warehouse and factory facilities. The leases typically run for a period of 17 months to 50 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.

32. LEASES (cont'd)

Leases as lessee (cont'd)

	Group 2021-22 $'000	Group 2020-21 $'000
Amounts recognised in profit or loss		
Interest on lease liabilities	5,052	5,449
Expenses relating to short-term leases	8,325	997
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	3,319	3,281
Amounts recognised in statement of cash flows		
Cash outflow for leases	25,986	29,120

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.

33. 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 a low 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. The Directors will continue to regularly review the Group's capital structure in line with this objective. For the financial years ended 31 March 2022 and 31 March 2021, 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, loans and borrowings, finance lease commitments and bank overdraft.

33. CAPITAL MANAGEMENT (cont'd)

	GROUP 31 March		COMPANY 31 March	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Term loans (Note 27)	210,812	378,143	86,646	244,801
Notes payable (Note 28)	300,000	300,000	300,000	300,000
Lease liabilities	327,032	195,291	60,856	63,729
Total debt	837,844	873,434	447,502	608,530
Total equity	1,833,707	1,698,800	1,682,992	1,638,136
Total debt-equity ratio	0.46	0.51	0.26	0.37

34. SEGMENT REPORTING

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

1. The Food Solutions segment provides mainly inflight and institutional catering, food processing, distribution services and airline laundry services.

2. The Gateway Services segment provides both airport and cruise terminal services. The airport terminal services include airfreight handling services, passenger services, aviation security services, baggage handling services and apron services to the Group's airline customers. On the provision of cruise terminal services, the segment manages and operates Marine Bay Cruise Centre.

3. The Others segment provides rental of premises and other services.

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 accounting policies are the same as the policies described in Note 2. Segment assets comprise primarily of inventories, receivables, prepayments, amount due from associates/joint ventures, cash and cash equivalents, other non-current assets and other long-term investments.

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.

34. SEGMENT REPORTING (cont'd)

BY BUSINESS

	Food Solutions $'000	Gateway Services $'000	Others $'000	Total $'000
Financial year ended 31 March 2022				
Revenue	640,930	532,457	3,379	1,176,766
Operating (loss)/profit	(44,057)	6,669	(5,239)	(42,627)
Net finance expense	(3,795)	(3,688)	(6,297)	(13,780)
Share of results of associates/joint ventures, net of tax	(15,442)	32,596	–	17,154
Impairment loss on property, plant and equipments, net of grants	(16,627)	–	–	(16,627)
Gain on deemed disposal of associate	–	28,862	–	28,862
Other non-operating income/(expenses)	258	(1,031)	690	(83)
(Loss)/profit before tax	(79,663)	63,408	(10,846)	(27,101)
Income tax credit	17,880	7,459	6,093	31,432
(Loss)/profit for the year	(61,783)	70,867	(4,753)	4,331
As at 31 March 2022				
Segment assets	478,956	426,061	420,189	1,325,206
Property, plant and equipment, right-of-use assets and investment properties	308,810	480,684	112,984	902,478
Associates/joint ventures	158,297	295,720	–	454,017
Deferred tax assets	43,016	14,119	272	57,407
Intangible assets	208,351	319,857	24,971	553,179
Total assets	1,197,430	1,536,441	558,416	3,292,287
Current liabilities	301,895	256,009	54,500	612,404
Non-current liabilities	115,073	166,544	455,940	737,557
Tax liabilities	18,916	53,004	36,699	108,619
Total liabilities	435,884	475,557	547,139	1,458,580
Capital expenditure	31,131	37,098	11,030	79,259
Depreciation and amortisation charges	43,475	55,953	20,239	119,667

34. SEGMENT REPORTING (cont'd)

BY BUSINESS (cont'd)

	Food Solutions $'000	Gateway Services $'000	Others $'000	Total $'000
Financial year ended 31 March 2021				
Revenue	573,753	389,749	6,495	969,997
Operating (loss)/profit	(46,856)	39,039	(2,294)	(10,111)
Net finance expense	(4,602)	(3,916)	(7,175)	(15,693)
Share of results of associates/joint ventures, net of tax	(35,461)	(12,525)	–	(47,986)
Write back of earn-out consideration	13,693	–	–	13,693
Impairment loss on investment in associates, long-term investment and intangible assets	(39,951)	(16,300)	(12,500)	(68,751)
Impairment loss on property, plant and equipments	(8,623)	(7,958)	–	(16,581)
Other non-operating income/(expenses)	181	(1,260)	1,059	(20)
Loss before tax	(121,619)	(2,920)	(20,910)	(145,449)
Income tax credit/(expense)	24,823	13,780	(2,451)	36,152
(Loss)/profit for the year	(96,796)	10,860	(23,361)	(109,297)
As at 31 March 2021				
Segment assets	516,726	260,140	583,903	1,360,769
Property, plant and equipment, right-of-use assets and investment properties	329,205	250,928	127,751	707,884
Associates/joint ventures	170,494	407,685	–	578,179
Deferred tax assets	25,167	9,101	39	34,307
Intangible assets	207,219	184,404	19,056	410,679
Total assets	1,248,811	1,112,258	730,749	3,091,818
Current liabilities	245,117	153,373	130,770	529,260
Non-current liabilities	192,774	44,113	522,166	759,053
Tax liabilities	26,178	35,579	42,948	104,705
Total liabilities	464,069	233,065	695,884	1,393,018
Capital expenditure	26,174	17,150	19,288	62,612
Depreciation and amortisation charges	52,184	62,276	15,982	130,442

34. 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 $'000	Japan $'000	Others $'000	Total $'000
Financial year ended 31 March 2022				
Revenue	1,005,584	77,521	93,661	1,176,766
As at 31 March 2022				
Segment assets	1,047,716	33,806	243,684	1,325,206
Property, plant and equipment, right-of-use assets and investment property	392,493	124,749	385,236	902,478
Associates/joint ventures	28,104	1,506	424,407	454,017
Deferred tax assets	15,362	29,929	12,116	57,407
Intangible assets	174,383	18,867	359,929	553,179
Total assets	1,658,058	208,857	1,425,372	3,292,287
Capital expenditure	41,014	1,628	36,617	79,259
Financial year ended 31 March 2021				
Revenue	850,407	58,714	60,876	969,997
As at 31 March 2021				
Segment assets	1,254,459	60,623	45,687	1,360,769
Property, plant and equipment, right-of-use assets and investment property	433,285	148,488	126,111	707,884
Associates/joint ventures	29,270	2,022	546,887	578,179
Deferred tax assets	1,740	23,248	9,319	34,307
Intangible assets	166,263	19,310	225,106	410,679
Total assets	1,885,017	253,691	953,110	3,091,818
Capital expenditure	50,953	2,652	9,007	62,612

Information about major customers

Revenue from two major customers amounted to $469.2 million (2021: $352.8 million), arising from sales by all segments.

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 2022 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)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S$100,000)
		$'000	$'000
Transactions for the Sale of Goods and Services			
SIA Engineering Company Limited	An associate of the Company's Controlling Shareholder	–	6,250
Singapore Zoological Gardens	An associate of the Company's Controlling Shareholder	–	554
SMRT Experience Pte. Ltd.	An associate of the Company's Controlling Shareholder	480	–
Singapore Airlines Limited	An associate of the Company's Controlling Shareholder	–	18,860
Scoot Tigerair Pte Ltd	An associate of the Company's Controlling Shareholder	–	212
		480	25,876

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)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S$100,000)
		$'000	$'000
Transactions for the Purchase of Goods and Services			
SMM Pte. Ltd.	An associate of the Company's Controlling Shareholder	–	25,988
ST Engineering Synthesis Pte. Ltd.	An associate of the Company's Controlling Shareholder	–	367
Singapore Telecommunications Limited	An associate of the Company's Controlling Shareholder	–	886
SMRT Experience Pte. Ltd.	An associate of the Company's Controlling Shareholder	410	–
SMRT Trains Ltd.	An associate of the Company's Controlling Shareholder	100	–
Certis CISCO Consulting Services Pte Ltd	An associate of the Company's Controlling Shareholder	–	440
ST Engineering Aerospace Company Pte Ltd	An associate of the Company's Controlling Shareholder	–	2,461
Grid Communications Pte Ltd	An associate of the Company's Controlling Shareholder	–	3,093*
		510	33,235

* This includes the value of the transactions entered into between SATS Ltd. and Grid Communications Pte Ltd for the period from 1 April 2020 to 31 March 2021.

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

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

2. MATERIAL CONTRACTS

Except as disclosed above and in the financial statements for the financial year ended 31 March 2022, there were no material contracts entered into by the Company and its subsidiaries involving the interests of its President and Chief Executive Officer, Directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

3. APPOINTMENT OF AUDITORS

The Company confirms that it has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to its auditing firms.

Acronym	Name of Companies
SAS	SATS Airport Services Pte Ltd
SCAT	SATS Catering Pte Ltd
SSS	SATS Security Services Private Limited
SAL	SATS Aero Laundry Pte. Ltd
AeroL	SATS Aerolog Express Pte. Ltd.
SIC	SATS Institutional Catering Pte. Ltd.
SATSAPS	SATS Asia–Pacific Star Pte. Ltd.
SFS	SATS Food Services Pte. Ltd.
SIPL	SATS Investments Pte. Ltd.
SATSIndia	SATS (India) Co. Private Limited
SIPL2	SATS Investments (II) Pte. Ltd.
CPL	Cemerlang Pte. Ltd.
SSSB	SATS Services Sdn. Bhd.
SATSSaudi	SATS Saudi Arabia Company
CS3	SATS Consumer Services Pte. Ltd
GTRSG	GTRSG Pte. Ltd.
SGSSB	SATS Group Services Sdn. Bhd.
GTRH	Ground Team Red Holdings Sdn. Bhd.
SChina	SATS China Co., Ltd.
SCCS	SATS-Creuers Cruise Services Pte. Ltd.
SATS Seletar	SATS Seletar Aviation Services Pte. Ltd.
PIPL	Primary Industries Private Limited
HAM	Hog Auction Market Pte Ltd
PIQ	Primary Industries (Qld) Pty Ltd
SSTF	Shanghai ST Food Industries Co., Limited
SFIF	SFI Food Pte. Ltd.
SFIM	SFI Manufacturing Private Limited
SDN	SATS Delaware North Pte. Ltd.

Acronym	Name of Companies
CFPL	Country Foods Pte. Ltd.
TFK	TFK Corporation
SITH	SATS Investments Turkey Havacılık Yatırımları Anonim Şirketi
SFTG	SATS Food Turkey Gıda Hizmetleri Anonim Şirketi
MBUK	Monty’s Bakehouse UK Limited
IFC	Inflight Foods Co., Ltd.
NDI	Narita Dry Ice Co., Ltd.
NTS	New Tokyo Service Co., Ltd
STJ	SATS (Tianjin) Food Co., Ltd.
SKF	SATS (Kunshan) Food Co., Ltd
NWA	Nanjing Weizhou Airline Food Corp., Ltd
GSA	Ganzhou SATS Aviation Food Co., Ltd
HWA	Huizhou Weilian Airline Food., Ltd
NWA Shenzhen	Shenzhen Weilian Air Catering Co., Ltd.
NWA Zhoushan	Zhoushan Weilian Air Catering Co., Ltd
NWA Zhanjiang	Zhanjiang Wuchuan Weilian Air Catering Co., Ltd
GTR	Ground Team Red Sdn. Bhd.
MBGCC	Monty’s Bakehouse GCC and Asia General Trading FZE
MBNL	Monty’s Bakehouse NL B.V.
SATSTH	SATS Thailand Co. Ltd.,
SFST	SATS Food Solutions (Thailand) Co., Ltd. (Formerly known as Food City Company Limited)
RTPL	Real Tasty Pte. Ltd.
SFSI	SATS Food Solutions India Private Limited
ASF	The Aviation Sustainability Forum Ltd
AAT	Asia Airfreight Terminal Company Limited
AAS	Asia Airfreight Services Limited
MIC	Maldives Inflight Catering Private Limited
BAIK	Beijing Airport Inflight Kitchen Limited
BGS	Beijing Aviation Ground Services Co., Ltd
AVIS	Aviserv Limited
TCS	Tan Son Nhat Cargo Services Joint Stock Company Limited
Servair	Servair–SATS Holding Company Pte Ltd
MACS	MacroAsia Catering Services, Inc.
TMFK	Taj Madras Flight Kitchen Private Limited
EGAS	Evergreen Airline Services Corporation
EGAC	Evergreen Air Cargo Services Corporation
TSAC	Taj SATS Air Catering Limited

Acronym	Name of Companies
PT JAS	PT Jasa Angkasa Semesta, Tbk
ESCC	Evergreen Sky Catering Corporation
SATSHK	SATS HK Limited
KSPL	KrisShop Pte. Ltd.
BCS	Beijing CAH SATS Aviation Services Co., Ltd.
Tasco	Tasco Foods Co., Ltd.
BSH	Brahim's SATS Investment Holdings Sdn. Bhd.
OmanSATS	Oman Air SATS Cargo LLC
PT CAS	PT Cardig Aero Services Tbk
MCSC	Mumbai Cargo Service Center Airport Private Limited
PMAD	PT Purantara Mitra Angkasa Dua
AISATS	Air India SATS Airport Services Private Limited
SGIPFPL	SG IPF Pte. Ltd.
DSPL	DFASS SATS Pte. Ltd.
SATSPPG	SATS PPG Singapore Pte. Ltd.

SATS Ltd. and its subsidiaries
Registration Number: 197201770G

Annual Report
Year ended 31 March 2023

SATS LTD. AND ITS SUBSIDIARIES

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 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the Directors:

(a) The financial statements set out on pages 11 to 107 give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 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, authorized 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
Kerry Mok Tee Heong	
Achal Agarwal	
Vinita Bali	
Chia Kim Huat	
Eng Aik Meng	Appointed on 15 April 2023
Jenny Lee Hong Wei	
Jessica Tan Soon Neo	
Tan Soo Nan	
Deborah Tan Yang Sock	
Detlef Andreas Trefzger	Appointed on 15 April 2023
Yap Kim Wah	

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following Directors who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Companies Act 1967, an interest in shares and share options of the Company (including those held by their spouses and children) as stated below:

	Direct interest		Deemed interest	
Name of Director	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares[1]				
Euleen Goh Yiu Kiang	102,174	160,048	–	–
Kerry Mok Tee Heong	89,500	293,441	–	–
Achal Agarwal	51,400	78,983	–	–
Vinita Bali	–	7,144	–	–
Chia Kim Huat	22,590	39,676	–	–
Michael Kok Pak Kuan[2]	22,600	40,880	–	–
Jenny Lee Hong Wei	11,300	22,094	–	–
Jessica Tan Soon Neo	22,300	40,086	–	–
Tan Soo Nan	50,900	77,792	4,088	5,408
Deborah Tan Yang Sock	2,200	14,023	–	–
Yap Kim Wah	23,100	42,600	–	–
Award under SATS Restricted Share Plan ("RSP")				
Kerry Mok Tee Heong[3]	64,900	99,900	–	–
Award under SATS Performance Share Plan ("PSP")				
Kerry Mok Tee Heong[4]	262,500	263,800	–	–

(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) Mr Michael Kok Pak Kuan resigned on 15 April 2023.

(3) The final number of RSP award will vest equally over a three-year period. During the financial year, 113,700 shares were awarded and 78,700 shares were vested.

(4) 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, 86,300 shares were awarded and 53,600 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 2023.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares, share options or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

5. SHARE-BASED PAYMENTS

Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

At the Extraordinary General Meeting of the Company held on 19 July 2005, the shareholders approved the adoption of two new share plans, namely the RSP and the PSP, in addition to the Share Option Plan. Both share plans which expired in July 2015 were subsequently approved during the 41st Annual General Meeting held on 23 July 2014 for further extension of 10 years to July 2025.

From FY2015-16 onwards, the RSP final number of award will range from 0% to 120% of the initial grant and is contingent on the achievement of pre-determined targets over a one-year peformance period and will vest equally over a three-year period. The PSP final number of award will range from 0% to 150% of the initial grant and is contingent on the achievement of pre-determined targets over a three-year performance period.

At the date of this report, the Remuneration and Human Resource Committee which administers the Share Option Plan, the RSP and PSP comprises the following Directors:

Euleen Goh Yiu Kiang	Chairman
Achal Agarwal	Member
Eng Aik Meng	Member

No shares have been granted to controlling shareholders or their associates under the RSP and PSP.

At the 46th Annual General Meeting of the Company held on 18 July 2019, the shareholders of the Company approved alterations to the RSP to permit grants of fully paid shares of the Company to be made to Non-Executive Directors of the Company as part of their Directors' Fees in respect of their office as such, in lieu of cash. During the financial year, an aggregate of 87,000 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 2021 to 31 March 2022 in lieu of cash. The awards consisted of fully paid shares with no performance conditions attached and no vesting periods imposed.

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

RSP

	Number of restricted shares				
Date of grant	Balance at 01 April 2022/ Date of grant	Vested	Forfeited	Adjustment	Balance at 31 March 2023
24 June 2019	1,200	(1,200)	–	–	–
20 August 2020	261,400	(260,300)	(1,100)	–	–
25 June 2021	1,186,000	(640,800)	(68,000)	–	477,200
24 June 2022	2,701,900	(930,500)	(182,900)	–	1,588,500
10 August 2022	87,000	(87,000)	–	–	–
	4,237,500	(1,919,800)	(252,000)	–	2,065,700

5. SHARE-BASED PAYMENTS (cont'd)

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

PSP

		Number of performance shares			
Date of grant	Balance at 01 April 2022/ Date of grant	Vested	Forfeited	Adjustment #	Balance at 31 March 2023
01 August 2019	280,000	(176,500)	–	(103,500)	–
20 August 2020	647,500	–	(185,000)	–	462,500
02 August 2021	490,000	–	(145,000)	–	345,000
24 June 2022	296,300	–	(50,000)	–	246,300
	1,713,800	(176,500)	(380,000)	(103,500)	1,053,800

Adjustments due to the performance factor at the end of the performance period upon meeting stated performance targets.

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 $2.16 (2022: $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 2023 were 2,065,700 (2022: 1,448,600) and 1,053,800 (2022: 1,417,500) for RSP and PSP respectively. Based on the achievement factor, the actual release of the awards is 2,065,700 (2022: 1,448,600) and zero to a maximum of 1,580,700 (2022: 2,126,250) fully paid ordinary shares of the Company, for RSP and PSP respectively.

For the current financial year, the Group has provided $8,939,000 (2022: $7,606,000) 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.

7. INTERNAL CONTROL STATEMENT

Taking into account the views of the Audit Committee and the Board Risk and Safety Committee in the exercise of their responsibilities under their respective terms of reference, the framework of management controls, the internal control policies and procedures established and maintained by the Group's Management, the reviews conducted by the internal and external auditors and the documented governance assurance, the Board 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 29 May 2023

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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 2023, 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 a summary of significant accounting policies, as set out on pages 11 to 107.

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 2023 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.

Impairment of non-financial assets, including goodwill

Refer to Note 2.14 'Impairment of non-financial and financial assets' and Note 3.4 'Impairment of non-financial assets' for relevant accounting policies and discussion of significant accounting estimates, Note 14 'Property, Plant and Equipment, Note 15 'Right-of-Use Assets', Note 16 'Intangible assets', Note 18 'Investment in associates' and Note 19 'Investment in joint ventures'.

The key audit matter

The Group's non-financial assets comprises Property, Plant and Equipment, Right-of-Use Assets, Intangible assets (including goodwill) and Investments in associates and joint ventures. These non-financial assets are allocated to cash generating units ("CGUs"). Annual impairment testing is required for CGUs containing goodwill or when assessed with impairment indicators.

Management applies the value-in-use (discounted cash flow) method to determine the recoverable amount of each CGU. Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses. The recoverable amounts are determined based on estimates including projected revenue growth, projected cost, terminal growth rates and discount rates.

There is inherent uncertainty involved in forecasting future cashflows. Specifically, there remains a high degree of estimation uncertainty in the post-Covid-19 recovery profile of the various geographical regions that the Group operates in. As a result of the high degree of estimation uncertainty and significant judgement involved, this is a key area of focus for our audit.

How the matter was addressed in our audit

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. These estimates include those relating to projected revenue, projected cost, terminal growth rates and discount rates.

We challenged management's estimates applied in the value-in-use models based on our knowledge of the CGUs' operations, and compared them against historical forecasts, performance and external benchmarks. This included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies and cost initiatives.

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.

We assessed the arithmetical accuracy of the computations used in assessing the recoverable amount of the CGUs.

Findings

Key estimates including projected revenue, projected cost, terminal growth rates and discount rates used in assessing the recoverable amounts of the respective CGUs are subject to significant amounts of estimation uncertainty. Nevertheless, we found that these key inputs underpinning the cashflow projections utilised in the computation of the recoverable amount of the respective CGUs, to be reasonable in the context of historical performance, available external information or planned strategies surrounding business expansion and cost initiatives.

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 that date.

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.

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.

Auditors' responsibilities for the audit of the financial statements (cont'd)

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.

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.

Auditors' responsibilities for the audit of the financial statements (cont'd)

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
29 May 2023

SATS LTD. AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2022-23	2021-22
		$'000	$'000
Revenue	4	1,758,329	1,176,766
Expenditure			
Staff costs	5	(891,818)	(550,555)
Cost of raw materials		(336,350)	(311,148)
Licence fees		(56,361)	(16,282)
Depreciation and amortisation charges		(175,791)	(119,667)
Company premise and utilities expenses		(124,221)	(73,887)
Other costs		(221,821)	(147,854)
		(1,806,362)	(1,219,393)
Operating loss	6	(48,033)	(42,627)
Interest on borrowings	7	(18,637)	(17,065)
Interest income	7	9,893	3,285
Share of results of associates/joint ventures, net of tax		45,438	17,154
Other non-operating (loss)/gain, net	8	(32,431)	12,152
Loss before tax		(43,770)	(27,101)
Income tax credit	9	5,177	31,432
(Loss)/profit for the year		(38,593)	4,331
(Loss)/profit attributable to:			
Owners of the Company		(26,506)	20,371
Non-controlling interests		(12,087)	(16,040)
		(38,593)	4,331
(Loss)/Earnings per share (cents)			
Basic	10	(2.2)	1.8*
Diluted	10	(2.2)	1.7*

* Earnings per share have been restated following the rights issue (Note 10).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SATS LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2022-23 $'000	2021-22 $'000
(Loss)/profit for the year	(38,593)	4,331
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Actuarial loss on defined benefit plan	(161)	(5,487)
Items that are or may be reclassified subsequently to profit or loss:		
Net fair value changes on financial assets	(329)	626
Hedge translation differences	12,415	–
Foreign currency translation differences	(55,301)	27,567
	(43,215)	28,193
Other comprehensive income for the year, net of tax	(43,376)	22,706
Total comprehensive income for the year	(81,969)	27,037
Total comprehensive income attributable to:		
Owners of the Company	(62,698)	48,678
Non-controlling interests	(19,271)	(21,641)
Total comprehensive income for the year	(81,969)	27,037

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SATS LTD. AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	Group 31 Mar 2023 $'000	Group 31 Mar 2022 $'000	Company 31 Mar 2023 $'000	Company 31 Mar 2022 $'000
Equity attributable to owners of the Company					
Share capital	12	1,153,485	367,947	1,153,485	367,947
Treasury shares	12	(854)	(8,481)	(854)	(8,481)
Share-based compensation reserve	13	5,244	4,878	5,244	4,878
Statutory reserve	13	13,956	13,506	–	–
Foreign currency translation reserve	13	(168,546)	(119,485)	–	–
Revenue reserve		1,342,603	1,368,752	1,424,207	1,345,013
Other reserves	13	(12,364)	(24,516)	(26,346)	(26,365)
		2,333,524	1,602,601	2,555,736	1,682,992
Non-controlling interests	18	181,258	231,106	–	–
Total equity		2,514,782	1,833,707	2,555,736	1,682,992
Non-current assets					
Property, plant and equipment	14	579,213	589,651	12,957	18,802
Right-of-use assets	15	320,976	312,827	79,645	59,522
Investment properties	16	–	–	131,598	147,650
Intangible assets	17	527,108	553,179	28,227	24,972
Investment in subsidiaries	18	–	–	934,530	923,753
Investment in associates	19	377,898	393,811	213,946	221,261
Investment in joint ventures	20	66,439	60,206	12,014	12,014
Long-term investments	21	14,235	14,577	6,060	6,060
Loan to subsidiaries	18	–	–	349,979	388,428
Loan to associate		–	2,152	–	2,152
Deferred tax assets	22	55,634	57,407	–	–
Other non-current assets	23	9,373	12,531	–	–
		1,950,876	1,996,341	1,768,956	1,804,614
Current assets					
Trade and other receivables	24	481,045	387,721	2,075,866	158,460
Prepayments and deposits		20,551	36,706	5,847	3,251
Amounts due from associates/joint ventures	19,20	2,018	2,323	793	1,492
Loan to associate		2,114	–	2,114	–
Loan to subsidiaries	18	–	–	77,110	–
Inventories	25	68,690	83,155	775	757
Cash and cash equivalents	26	374,458	786,041	181,431	505,781
Deposit with notary	35	1,773,991	–	–	–
		2,722,867	1,295,946	2,343,936	669,741

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SATS LTD. AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	Group		Company	
		31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
		$'000	$'000	$'000	$'000
Current liabilities					
Trade and other payables	27	522,491	457,946	171,102	132,713
Amounts due to joint ventures	20	11,624	11,400	–	–
Income tax payable		18,321	18,179	8,993	9,725
Notes and borrowings	28	12,973	101,685	–	–
Loan from subsidiaries	18	–	–	163,000	167,800
Lease liabilities	32	41,068	41,373	3,647	2,847
		606,477	630,583	346,742	313,085
Net current assets		2,116,390	665,363	1,997,194	356,656
Non-current liabilities					
Deferred tax liabilities	22	88,259	90,440	25,887	26,913
Notes and borrowings	28	1,133,526	409,127	1,101,340	386,646
Lease liabilities	32	290,816	285,659	78,647	58,009
Other payables	27	39,883	42,771	4,540	6,710
		1,552,484	827,997	1,210,414	478,278
Net assets		2,514,782	1,833,707	2,555,736	1,682,992

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SATS LTD. AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

GROUP	Attributable to owners of the Company											
	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Statutory Reserve *	Foreign Currency Translation Reserve	Revenue Reserve	Capital Reserve	Loss on Reissuance of Treasury Shares	Fair Value Reserve	Total	Non-controlling Interests	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 April 2022	367,947	(8,481)	4,878	13,506	(119,485)	1,368,752	1,072	(26,365)	777	1,602,601	231,106	1,833,707
Loss for the year	–	–	–	–	–	(26,506)	–	–	–	(26,506)	(12,087)	(38,593)
Other comprehensive income for the year	–	–	–	–	(49,061)	807	–	–	12,062	(36,192)	(7,184)	(43,376)
Total comprehensive income for the year	–	–	–	–	(49,061)	(25,699)	–	–	12,062	(62,698)	(19,271)	(81,969)
Contributions by and distributions to owners												
Share-based compensation	–	–	8,939	–	–	–	–	–	–	8,939	–	8,939
Treasury shares reissued pursuant to share-based compensation plans	–	7,627	(7,301)	–	–	–	–	19	–	345	–	345
Issuance of new shares pursuant to share-based compensation plans	1,272	–	(1,272)	–	–	–	–	–	–	–	–	–
Issuance of new shares pursuant to Rights Issue	784,266	–	–	–	–	–	–	–	–	784,266	–	784,266
Total contributions by and distributions to owners	785,538	7,627	366	–	–	–	–	19	–	793,550	–	793,550
Others												
Purchase price allocation for acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	5,320	5,320
Capital contribution from non-controlling interests	–	–	–	–	–	–	71	–	–	71	208	279
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(36,105)	(36,105)
Transfer to statutory reserve	–	–	–	450	–	(450)	–	–	–	–	–	–
Balance at 31 March 2023	**1,153,485**	**(854)**	**5,244**	**13,956**	**(168,546)**	**1,342,603**	**1,143**	**(26,346)**	**12,839**	**2,333,524**	**181,258**	**2,514,782**

* 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.

SATS LTD. AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Attributable to owners of the Company											
GROUP	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Statutory Reserve *	Foreign Currency Translation Reserve	Revenue Reserve	Capital Reserve	Loss on Reissuance of Treasury Shares	Fair Value Reserve	Total	Non-controlling Interests	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 April 2021	367,947	(18,798)	9,442	13,502	(150,223)	1,348,986	1,072	(25,747)	161	1,546,342	152,458	1,698,800
Profit/(loss) for the year	–	–	–	–	–	20,371	–	–	–	20,371	(16,040)	4,331
Other comprehensive income for the year	–	–	–	–	30,738	(3,047)	–	–	616	28,307	(5,601)	22,706
Total comprehensive income for the year	–	–	–	–	30,738	17,324	–	–	616	48,678	(21,641)	27,037
<u>Contributions by and distributions to owners</u>												
Share-based compensation	–	–	7,606	–	–	–	–	–	–	7,606	–	7,606
Share awards lapsed	–	–	(2,446)	–	–	2,446	–	–	–	–	–	–
Treasury shares reissued pursuant to share-based compensation plans	–	10,317	(9,724)	–	–	–	–	(618)	–	(25)	–	(25)
Total contributions by and distributions to owners	–	10,317	(4,564)	–	–	2,446	–	(618)	–	7,581	–	7,581
<u>Others</u>												
Acquisition of shares in subsidiary	–	–	–	–	–	–	–	–	–	–	102,689	102,689
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(2,400)	(2,400)
Transfer to statutory reserve	–	–	–	4	–	(4)	–	–	–	–	–	–
Balance at 31 March 2022	**367,947**	**(8,481)**	**4,878**	**13,506**	**(119,485)**	**1,368,752**	**1,072**	**(26,365)**	**777**	**1,602,601**	**231,106**	**1,833,707**

* 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 2023

COMPANY	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Revenue Reserve	Loss on Reissuance of Treasury Shares	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 April 2022	367,947	(8,481)	4,878	1,345,013	(26,365)	1,682,992
Profit for the year	–	–	–	79,194	–	79,194
Total comprehensive income for the year	–	–	–	79,194	–	79,194
Contributions by and distributions to owners						
Share-based compensation	–	–	8,939	–	–	8,939
Treasury shares reissued pursuant to share-based compensation plans	–	7,627	(7,301)	–	19	345
Issuance of new shares pursuant to share-based compensation plans	1,272	–	(1,272)	–	–	–
Issuance of new shares pursuant to Rights Issue	784,266	–	–	–	–	784,266
Total contributions by and distributions to owners	785,538	7,627	366	–	19	793,550
Balance at 31 March 2023	**1,153,485**	**(854)**	**5,244**	**1,424,207**	**(26,346)**	**2,555,736**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SATS LTD. AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

COMPANY	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Revenue Reserve	Loss on Reissuance of Treasury Shares	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 April 2021	367,947	(18,798)	9,442	1,305,292	(25,747)	1,638,136
Profit for the year	–	–	–	37,275	–	37,275
Total comprehensive income for the year	–	–	–	37,275	–	37,275
Contributions by and distributions to owners						
Share-based compensation	–	–	7,606	–	–	7,606
Treasury shares reissued pursuant to share-based compensation plans	–	10,317	(9,724)	–	(618)	(25)
Share awards lapsed	–	–	(2,446)	2,446	–	–
Total contributions by and distributions to owners	–	10,317	(4,564)	2,446	(618)	7,581
Balance at 31 March 2022	**367,947**	**(8,481)**	**4,878**	**1,345,013**	**(26,365)**	**1,682,992**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SATS LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2022-23 $'000	2021-22 $'000
Cash flows from operating activities			
Loss before tax		(43,770)	(27,101)
Adjustments for:			
Interest expenses, net	7	8,744	13,780
Depreciation and amortisation charges		175,791	119,667
Unrealised foreign exchange loss		430	42
Share of results of associates/joint ventures, net of tax		(45,438)	(17,154)
Gain on disposal of property, plant and equipment	8	(13,012)	(234)
Loss on sale and leaseback of property		593	–
Gain on deemed disposal of associate	8	–	(28,862)
Gain on disposal of associate		(1,901)	–
Impairment loss for an associate	8	1,717	–
Impairment loss on property, plant and equipment	14	–	16,948
Share-based compensation expense	5	8,939	7,606
Provision for doubtful debts	6	178	11,134
Other non-cash items		1,710	773
Operating cash flows before working capital changes		93,981	96,599
Changes in working capital:			
Increase in receivables		(90,431)	(79,300)
Decrease/(increase) in prepayments and deposits		16,155	(15,748)
Decrease in inventories		12,848	47,199
Increase in payables		69,229	48,081
Decrease/(increase) in amounts due from/to associates/ joint ventures, net		67	(528)
Cash generated from operations		101,849	96,303
Interest paid to third parties		(19,560)	(16,994)
Income taxes paid		(2,741)	(16,989)
Net cash from operating activities		79,548	62,320
Cash flows from investing activities			
Capital expenditure	26	(119,400)	(77,989)
Dividends from associates/joint ventures		23,500	26,641
Net proceeds from sale of investments		–	306
Net proceeds from sale of associate		3,139	–
Proceeds from disposal of property, plant and equipment		25,453	347
Investments in subsidiaries- cash acquired net of considerations paid for acquisition		–	80,666
Investment in a joint venture		(60)	–
Interest received from deposits		9,518	3,289
Loan to associate		–	(2,152)
Deposit with notary		(1,773,991)	–
Net cash (used in)/from investing activities		(1,831,841)	31,108

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SATS LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2022-23	2021-22
		$'000	$'000
Cash flows from financing activities			
Repayment of term loans	28	(106,438)	(181,994)
Repayment of lease liabilities	28	(60,101)	(25,986)
Proceeds from borrowings	28	752,874	21,077
Net proceeds from issuance of new shares pursuant to rights issue		789,739	–
Dividends paid to non-controlling interest		(36,105)	(2,400)
Net cash from/(used in) financing activities		1,339,969	(189,303)
Net decrease in cash and cash equivalents		(412,324)	(95,875)
Effect of exchange rate changes		741	2,067
Cash and cash equivalents at beginning of financial year		786,041	879,849
Cash and cash equivalents at end of financial year	26	**374,458**	**786,041**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

The consolidated financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 29 May 2023.

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.

The principal activities of the subsidiaries are disclosed in Note 18 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The related changes to significant accounting policies are described in note 2.2.

The financial statements are presented in Singapore Dollars ("$" or "SGD") and all values in the tables are rounded to the nearest thousand ("$'000"), unless otherwise indicated.

2.2 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 April 2022:

- Amendment to SFRS(I) 16: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

The Group has adopted Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract* from 1 April 2022. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Group has analysed all contracts existing at 1 April 2022 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at 1 April 2022 as a result of the change.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 New standards and interpretations not adopted

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts* and Amendments to SFRS(I) 17 *Insurance Contracts*
- Amendments to SFRS(I) 1-1 and SFRS(I) *Practice Statement 2: Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I)1-1: *Classification of Liabilities as Current or Non-Current*

2.4 Basis of consolidation and business combinations

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or revenue reserve, as appropriate.

2. SUMMARY OF SIGNIFICANT 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 2.10. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Associates and joint ventures (cont'd)

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.

Consolidated financial statements

For consolidation purposes, the assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition are translated into Singapore Dollars at exchange rates at the reporting date and their profit or loss are translated at exchange rates at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 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 accounting policy for borrowing costs is set out in Note 2.19. 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.

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	–	1 to 12 years
Motor vehicles	–	1 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Investment properties

Investment properties are properties that are either owned by the Group that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties.

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 its estimated useful lives of 10 to 30 years. 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.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. Transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

2.10 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 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 Group and Company do not have other intangible assets with indefinite useful life.

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.

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.

(i) Software development

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.

(ii) Licences

Licences 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 16 years.

(iii) Customer relationships

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 15 years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 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 fair value through profit or loss.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial assets (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Assessment of whether contractual cash flows are solely payments of principal and interest (cont'd)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial assets (cont'd)

(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 2.24.

2.12 Inventories

Inventories, which consist mainly of equipment spare parts and food supplies, are stated at the lower of cost and net realisable value. Costs are determined using the weighted average cost basis, and comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and highly liquid fixed deposits that are readily converted to known amounts of cash and are subject to an insignificant risk of change in fair value.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash on hand and cash equivalents in banks, net of outstanding bank overdrafts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(i) Non-derivative financial assets (cont'd)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(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.

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.

2.15 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Financial liabilities (cont'd)

(ii) De-recognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.16 Accruals

Accruals are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Accruals are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the accrual is reversed. If the effect of the time value of money is material, accruals are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the accrual due to the passage of time is recognised as a finance cost.

2.17 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Leases (cont'd)

(i) As a lessee (cont'd)

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 15.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Leases (cont'd)

(i) As a lessee (cont'd)

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub–lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short–term lease to which the Group applies the exemption described above, then it classifies the sub–lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'. Rental income from sub-leased property is recognised as "other income".

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

2.18 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Taxes (cont'd)

Current income tax (cont'd)

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Taxes (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.

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Employee benefits

Equity compensation plans

The Group has also implemented the Restricted Share Plan and Performance Share Plan for awarding of fully paid ordinary shares to key senior management and senior executives, when and after pre-determined performance or service conditions are accomplished. Details of the plans are disclosed in Note 12 to the financial statements.

The cost of the equity-settled transactions with employees is measured by reference to the fair value of the options or awards at the date on which the share options or awards are granted. Estimating fair value for share-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company. The assumptions and models used for estimating fair value for share-based compensation transactions are disclosed in Note 12.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Employee benefits (cont'd)

Equity compensation plans (cont'd)

Costs related to share based payment are recognised in profit or loss, with a corresponding increase in the share-based compensation reserve, over the vesting period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based compensation reserve over the remaining vesting period.

No expense is recognised for options or awards that do not ultimately vest, except for options or awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The share-based compensation reserve is transferred to revenue reserve upon cancellation or expiry of the vested options or awards. When the options are exercised or awards are released, the share-based compensation reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

Defined contribution plans

The Group participates in national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Defined benefit plan

The Group has defined benefit plan in one of its overseas subsidiaries but the amount is not significant and is included under other payables (non-current).

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost;
- Net interest on the net defined benefit liability or asset; and
- Remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Employee benefits (cont'd)

Defined benefit plan (cont'd)

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

2.21 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21 Revenue (cont'd)

Interest income

Interest income from investments and fixed deposits is recognised using the effective interest rate method.

2.22 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants receivable are recognised as income over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expense are offset against the related expenses.

2.23 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity (Note 12). No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.24 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Hedge accounting (cont'd)

Cash flow hedges (cont'd)

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.

2.25 Segment reporting

Disclosure on operating segments are reported in a manner consistent with the internal reporting provided to the senior management of the Group. The senior management are responsible for allocating resources and assessing performance of the operating segments. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 Related parties

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Group and Company if that person:

- (a) has control or joint control over the Company;
- (b) has significant influence over the Company; or
- (c) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(ii) An entity is related to the Group and the Company if any of the following conditions applies:

- (a) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (c) both entities are joint ventures of the same third party;
- (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (e) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (f) the entity is controlled or jointly controlled by a person identified in (i); or
- (g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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 critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements; and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed below.

3.1 Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset.

The value in use for calculation is based on a discounted cash flow model. The cash flows are derived from the forecast for the next five years and do not include restructuring activities that the Group has not commit to or significant future investments that may enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Significant judgement is required in determining the recoverable amount of the investments which is subject to a high degree of estimation uncertainty in assessing the forecasted cashflows as well as recovery assumptions from COVID-19 pandemic as the international and regional flights resume.

There was an impairment charge of $1.7 million recorded in the current financial year for loan to and investment in an associate (Note 8) (2022: Nil).

The Group has also carried out a review on the recoverable amount of its property, plant and equipment, no impairment loss was recorded in the financial year ended 31 March 2023 (2022: $16.9 million) (Note 8).

3.2 Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

3.2 Income taxes (cont'd)

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. REVENUE

The Group recognises revenue from the following sources:

	GROUP	
	2022-23	2021-22
	$'000	$'000
Food Solutions	869,253	640,930
Gateway Services	888,548	532,457
Others	528	3,379
	1,758,329	1,176,766

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 ground handling, airport cargo delivery, management services, aviation security services and cruise terminal services. Revenue is recognised when 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.

Others

Others include rental income 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	
	2022-23	2021-22
	$'000	$'000
Salaries, bonuses and other costs*	841,683	591,671
CPF and other defined contribution plans	94,257	64,626
Share-based compensation expense (Note 12)	8,939	7,606
Government grants	(53,061)	(113,348)
	891,818	550,555

* Included in salaries, bonuses and other costs are contract labour expenses of $166,305,000 (2022: $82,952,000).

6. OPERATING LOSS

The following items have been included in arriving at operating loss:

	GROUP	
	2022-23	2021-22
	$'000	$'000
Audit fee paid to auditors of the Company	736	600
Audit fee paid to other auditors	407	404
Non-audit fee paid to auditors of the Company	299	208
Non-audit fee paid to other auditors	76	51
Allowance of doubtful receivables and bad debts written off, net	178	11,134
Maintenance of equipment and vehicles	43,550	30,830
Digitalisation and IT expenses	43,343	38,832
Lease of ground support equipment	10,346	6,700
Rental for leasehold land and premises	1,622	4,763
COVID-19 related government grants and reliefs	(59,111)	(145,641)
Exchange loss, net	6,763	168

7. INTEREST ON BORROWINGS AND INTEREST INCOME

	GROUP	
	2022-23	2021-22
	$'000	$'000
Interest expenses – financial liabilities at amortised cost	(18,637)	(17,065)
Interest income – financial assets at amortised cost	9,893	3,285
	(8,744)	(13,780)

8. OTHER NON-OPERATING (LOSS)/GAIN, NET

	GROUP	
	2022-23	2021-22
	$'000	$'000
Gain on disposal of property, plant and equipment	13,012	234
Impairment loss for an associate	(1,717)	–
Impairment loss on property, plant and equipment	–	(16,948)
Accelerated recognition of government grant for impaired property, plant and equipment	–	321
Gain on disposal and deemed disposal of associate	1,901	28,862
Merger and acquisition expenses	(44,900)	–
Others	(727)	(317)
	(32,431)	12,152

9. INCOME TAX CREDIT

The major components of income tax credit for the years ended 31 March 2023 and 2022 are:

	GROUP	
	2022-23	2021-22
	$'000	$'000
Current income tax:		
Current year	11,011	10,788
Over provision in respect of prior years	(6,663)	(6,820)
	4,348	3,968
Deferred income tax (Note 22):		
Origination and reversal of temporary differences	(11,534)	(36,247)
Under provision of deferred taxation in respect of prior years	125	18
Withholding tax on share of results of associates/ joint ventures	1,884	829
Income tax credit recognised in profit or loss	(5,177)	(31,432)

Reconciliation of effective tax rate

Loss before tax	(43,770)	(27,101)
Taxation at statutory tax rate of 17% (2022: 17%)	(7,441)	(4,607)
Adjustments:		
Non-deductible expenses	17,565	14,417
Effect of different tax rates in other countries	(2,259)	(4,130)
Tax rebate	–	(208)
Over provision of current taxation in respect of prior years	(6,663)	(6,820)
Under provision of deferred taxation in respect of prior years	125	18
Utilisation of previously unrecognised tax losses/capital allowances	(2,840)	(59)
Tax exempt income	(7,964)	(32,451)
Effect of share of results of associates/joint ventures	(7,673)	(2,991)
Withholding tax on share of results of associates/joint ventures	1,884	829
Deferred tax assets not recognised	10,122	4,730
Others	(33)	(160)
Income tax credit recognised in profit or loss	(5,177)	(31,432)

10. (LOSS)/EARNINGS PER SHARE

	GROUP 2022-23 $'000	GROUP 2021-22 $'000
(Loss)/profit attributable to owners of the Company	(26,506)	20,371

	GROUP 2022-23	GROUP 2021-22
Weighted average number of ordinary shares in issue used for computing basic earnings per share (in thousand)	1,192,552	1,163,924
Adjustment for RSP and PSP (in thousand)	4,031	4,449
Weighted average number of ordinary shares in issue used for computing diluted earnings per share (in thousand)	1,196,583	1,168,373
(Loss)/Earnings per share (cents)		
Basic	(2.2)	1.8
Diluted	(2.2)	1.7

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

11. DIVIDENDS PAID

No dividend was proposed for the financial year ended 31 March 2023 (2022: Nil).

12. SHARE CAPITAL AND TREASURY SHARES

Share Capital

	GROUP AND COMPANY 31 March			
	2023 Number of shares	2022 Number of shares	2023 $'000	2022 $'000
Ordinary shares				
Balance at beginning of the year	1,124,056,275	1,124,056,275	367,947	367,947
Issuance of new shares pursuant to share-based compensation	326,200	–	1,272	–
Issuance of new shares pursuant to rights issue	363,111,486	–	784,266	–
Balance at end of the year	1,487,493,961	1,124,056,275	1,153,485	367,947

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 326,200 ordinary shares issued pursuant to share-based compensation plans during the year (2022: Nil).

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 35 for details of WFS acquisition.

Treasury Shares

	GROUP AND COMPANY 31 Mar			
	2023 Number of shares	2022 Number of shares	2023 $'000	2022 $'000
At beginning of the year	1,968,405	4,362,955	8,481	18,798
Shares reissued pursuant to share-based compensation plans	(1,770,100)	(2,394,550)	(7,627)	(10,317)
At end of the year	198,305	1,968,405	854	8,481

Treasury shares relate to ordinary shares of the Company that are held by the Company.

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

12. SHARE CAPITAL AND TREASURY SHARES (cont'd)

Share-Based Incentive Plans

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 ("RSP")

For grants in FY2019-20 to FY2022-23

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 ("PSP")

For grants in FY2019-20 to FY2022-23

Plan description	Award of fully-paid ordinary shares of the Company, conditional on achievement of both pre-determined performance targets set at the start of a three-year overlapping performance period based on stretched long-term corporate objectives and individual performance.
Performance conditions	• Absolute Total Shareholder Return • Transformation Scorecard
Vesting condition	Vesting based on meeting specified performance conditions over a three-year performance period.
Payout	0% – 150% depending on the achievement of specified performance targets over the performance period.

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.

12. SHARE CAPITAL AND TREASURY SHARES (cont'd)

Share-Based Incentive Plans (cont'd)

Fair values of RSP and PSP (cont'd)

The following table lists the inputs to the model used for the awards:

RSP	Jun 2022	Jun 2021	Aug 2020	Jun 2019
Expected dividend yield (%)	Management's forecast in line with dividend policy			
Expected volatility (%)	31.0	39.6	28.3	13.8
Risk-free interest rate (%)	2.1-2.6	0.4 – 0.5	0.2 – 0.3	1.7 – 1.9
Expected term (years)	0.2-2.0	0.2 – 2.0	0.0 – 1.9	0.0 – 2.0
Share price at date of grant ($)	3.97	4.02	2.91	5.27

PSP	Jun 2022	Aug 2021	Aug 2020	Aug 2019
Expected dividend yield (%)	Management's forecast in line with dividend policy			
Expected volatility (%)	33.6	32.6	26.1	16.2
Risk-free interest rate (%)	2.8	0.5	0.3	1.72
Expected term (years)	3.0	2.9	2.9	2.9
Index (for Relative TSR)	STI	STI	STI	NA
Index volatility (%)	18.2	19.2	17.6	NA
Correlation with index (%)	0.8	0.7	0.7	NA
Share price at date of grant ($)	3.75	3.99	2.91	4.82

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.

12. SHARE CAPITAL AND TREASURY SHARES (cont'd)

Share-Based Incentive Plans (cont'd)

Movement of RSP and PSP shares award during the year

RSP

	Number of restricted shares				
Date of grant	Balance at 01 April 2022/ Date of grant	Vested	Forfeited	Adjustment	Balance at 31 March 2023
24 June 2019	1,200	(1,200)	–	–	–
20 August 2020	261,400	(260,300)	(1,100)	–	–
25 June 2021	1,186,000	(640,800)	(68,000)	–	477,200
24 June 2022	2,701,900	(930,500)	(182,900)	–	1,588,500
10 August 2022	87,000	(87,000)	–	–	–
	4,237,500	(1,919,800)	(252,000)	–	2,065,700

PSP

	Number of performance shares				
	Balance at 01 April 2022/ Date of grant	Vested	Forfeited	Adjustment #	Balance at 31 March 2023
01 August 2019	280,000	(176,500)	–	(103,500)	–
20 August 2020	647,500	–	(185,000)	–	462,500
02 August 2021	490,000	–	(145,000)	–	345,000
24 June 2022	296,300	–	(50,000)	–	246,300
	1,713,800	(176,500)	(380,000)	(103,500)	1,053,800

Adjustments due to the performance factor at the end of the performance period upon meeting stated performance targets.

The estimated weighted average fair values at date of grant for each share granted during the year under the PSP is $2.16 (2022: $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 2023 were 2,065,700 (2022: 1,448,600) and 1,053,800 (2022: 1,417,500) for RSP and PSP respectively. Based on the achievement factor, the actual release of the awards is 2,065,700 (2022: 1,448,600) and zero to a maximum of 1,580,700 (2022: 2,126,250) fully-paid ordinary shares of the Company, for RSP and PSP respectively.

12. SHARE CAPITAL AND TREASURY SHARES (cont'd)

Share-Based Incentive Plans (cont'd)

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	
	2022-23	2021-22
	$'000	$'000
Share-based compensation expense		
Restricted Share Plan	8,770	8,489
Performance Share Plan	169	(883)
	8,939	7,606

13. RESERVES

(a) Share-Based Compensation Reserve

Share-based compensation reserve represents the equity-settled share options, 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 equity-settled share options, 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 28).

(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.

14 PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land and buildings	Leasehold land and buildings	Office fittings and fixtures	Equipment	Motor vehicles	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost							
At 1 April 2021	95,338	804,084	195,195	589,302	68,002	33,084	1,785,005
Translation	(13,902)	234	(854)	(3,510)	(1,643)	136	(19,539)
Reclassifications	–	(42)	3,040	7,182	–	(10,180)	–
Acquisition of subsidiaries	5,285	285,497	952	178,709	419	1,885	472,747
Additions (Note 26)	29	619	2,230	9,191	1,345	49,191	62,605
Disposals	–	–	(345)	(4,819)	(1,155)	–	(6,319)
At 31 March 2022	86,750	1,090,392	200,218	776,055	66,968	74,116	2,294,499
At 31 March 2022 and 1 April 2022	86,750	1,090,392	200,218	776,055	66,968	74,116	2,294,499
Translation	(17,281)	(8,502)	(1,246)	(9,043)	(2,255)	(2,061)	(40,388)
Reclassifications	–	15,855	16,665	8,666	75	(41,261)	–
Transfer to intangible assets	–	–	344	126	–	(1,972)	(1,502)
Additions (Note 26)	77	39,481	6,936	20,037	1,611	39,579	107,721
Disposals	(21,395)	(5,168)	(8,933)	(28,234)	(5,243)	–	(68,973)
At 31 March 2023	48,151	1,132,058	213,984	767,607	61,156	68,401	2,291,357

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

GROUP	Freehold land and buildings	Leasehold land and buildings	Office fittings and fixtures	Equipment	Motor vehicles	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Accumulated depreciation and impairment losses							
At 1 April 2021	26,908	601,526	135,475	457,147	42,139	2,139	1,265,334
Translation	(8,452)	(467)	(743)	(3,683)	(1,056)	–	(14,401)
Depreciation	5,014	23,820	13,689	29,128	5,032	–	76,683
Acquisition of subsidiaries	–	228,252	952	136,906	380	–	366,490
Disposals	–	–	(184)	(4,906)	(1,116)	–	(6,206)
Impairment	–	–	16	14,522	–	2,410	16,948
At 31 March 2022	23,470	853,131	149,205	629,114	45,379	4,549	1,704,848
At 31 March 2022 and 1 April 2022	23,470	853,131	149,205	629,114	45,379	4,549	1,704,848
Translation	(12,092)	(5,572)	(720)	(6,766)	(1,596)	–	(26,746)
Depreciation	3,598	33,620	13,298	35,562	4,496	–	90,574
Disposals	(9,194)	(5,169)	(8,944)	(28,062)	(5,163)	–	(56,532)
At 31 March 2023	5,782	876,010	152,839	629,848	43,116	4,549	1,712,144
Carrying amounts							
At 1 April 2021	68,430	202,558	59,720	132,155	25,863	30,945	519,671
At 31 March 2022	63,280	237,261	51,013	146,941	21,589	69,567	589,651
At 31 March 2023	42,369	256,048	61,145	137,759	18,040	63,852	579,213

As part of the Group's annual impairment assessment, no impairment was recorded in the current financial year (2022: $16,948,000). The Group's property, plant and equipment with a carrying amount of $21,548,000 (2022: $13,853,000) are pledged to secure the Group's term loans (Note 28).

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY	Equipment	Motor vehicles	Work in progress	Total
	$'000	$'000	$'000	$'000
Cost				
At 1 April 2021	18,881	89	9,166	28,136
Reclassification/transfer to investment properties (Note 16)	1,063	–	(2,072)	(1,009)
Additions	244	–	3,040	3,284
At 31 March 2022 and 1 April 2022	20,188	89	10,134	30,411
Reclassification/transfer to investment properties (Note 16)	3,270	–	(7,686)	(4,416)
Additions	577	–	613	1,190
Disposals	(40)	(43)	–	(83)
At 31 March 2023	23,995	46	3,061	27,102
Accumulated depreciation				
At 1 April 2021	9,300	56	–	9,356
Depreciation	2,245	8	–	2,253
At 31 March 2022 and 1 April 2022	11,545	64	–	11,609
Depreciation	2,611	6	–	2,617
Disposals	(40)	(41)	–	(81)
At 31 March 2023	14,116	29	–	14,145
Carrying amounts				
At 1 April 2021	9,581	33	9,166	18,780
At 31 March 2022	8,643	25	10,134	18,802
At 31 March 2023	9,879	17	3,061	12,957

15. RIGHT-OF-USE ASSETS

GROUP	Leasehold land and buildings	Others	Total
	$'000	$'000	$'000
Cost			
At 1 April 2021	229,685	4,084	233,769
Translation	(6,658)	(27)	(6,685)
Acquisition of subsidiaries	192,977	–	192,977
Additions	28,928	1,001	29,929
Disposals	(9,839)	(297)	(10,136)
At 31 March 2022 and 1 April 2022	435,093	4,761	439,854
Translation	(12,900)	(284)	(13,184)
Additions	70,600	681	71,281
Disposals	(1,259)	(123)	(1,382)
At 31 March 2023	491,534	5,035	496,569
Accumulated depreciation			
At 1 April 2021	43,096	2,957	46,053
Translation	(893)	(20)	(913)
Acquisition of subsidiaries	60,195	–	60,195
Amortisation	26,607	776	27,383
Disposals	(5,546)	(145)	(5,691)
At 31 March 2022 and 1 April 2022	123,459	3,568	127,027
Translation	(3,862)	(237)	(4,099)
Amortisation	52,897	880	53,777
Disposals	(1,030)	(82)	(1,112)
At 31 March 2023	171,464	4,129	175,593
Carrying amounts			
At 31 March 2021	186,589	1,127	187,716
At 31 March 2022	311,634	1,193	312,827
At 31 March 2023	320,070	906	320,976

15. RIGHT-OF-USE ASSETS (cont'd)

	Leasehold land and buildings $'000
COMPANY	
Cost	
At 1 April 2021	71,090
Additions	47
At 31 March 2022 and 1 April 2022	71,137
Additions	25,147
At 31 March 2023	96,284
Accumulated depreciation	
At 1 April 2021	7,754
Amortisation	3,861
At 31 March 2022 and 1 April 2022	11,615
Amortisation	5,024
At 31 March 2023	16,639
Carrying amounts	
At 31 March 2021	63,336
At 31 March 2022	59,522
At 31 March 2023	79,645

16. INVESTMENT PROPERTIES

	GROUP $'000	COMPANY $'000
Cost		
At 1 April 2021	9,629	794,496
Transfer from property, plant and equipment (Note 14)	–	1,009
Disposals	(2,390)	–
At 31 March 2022 and 1 April 2022	7,239	795,505
Transfer from property, plant and equipment (Note 14)	–	4,416
Additions	–	2,813
Disposals	–	(92)
At 31 March 2023	7,239	802,642
Accumulated depreciation		
At 1 April 2021	9,132	621,471
Depreciation	497	26,384
Disposals	(2,390)	–
At 31 March 2022 and 1 April 2022	7,239	647,855
Depreciation	–	23,281
Disposals	–	(92)
At 31 March 2023	7,239	671,044

16. INVESTMENT PROPERTIES (cont'd)

	GROUP $'000	COMPANY $'000
Carrying amount		
At 1 April 2021	497	173,025
At 31 March 2022	–	147,650
At 31 March 2023	–	131,598

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.

Information relating to the fair values of the investment properties of the Group as at 31 March as follows:

	2023		2022	
	Carrying value $'000	Fair value $'000	Carrying value $'000	Fair value $'000
Investment properties	–	11,500	–	12,400

Information relating to the fair values of the investment properties of the Company rented to third parties as at 31 March as follows:

	2023		2022	
	Carrying value $'000	Fair value $'000	Carrying value $'000	Fair value $'000
Investment properties rented by Company to third parties	–	11,500	–	12,400

The valuation is based on the Investment Method that makes reference to gross rental income of similar properties based on prevailing economic conditions.

The remaining investment properties of the Company are rented to the subsidiaries of the Group for their operational needs and therefore the Company does not consider the disclosure of fair value of these investment properties to be relevant.

Investment properties are categorised within level 3 of the fair value hierarchy. A significant increase (decrease) in gross rental income would result in a significantly higher (lower) fair value measurement.

The property rental income earned by the Group and Company for the year ended 31 March 2023 from its investment properties which are leased out under operating leases, amounted to $305,000 and $49,500,000 (2022: $1,020,000 and $49,860,000) respectively.

Direct operating expenses (including repairs and maintenance) incurred on rental-earning investment properties amounted to $157,000 and $35,513,000 (2022: $151,000 and $38,236,000) for the Group and Company respectively.

17. INTANGIBLE ASSETS

GROUP	Software development	Work in progress	Goodwill	Licence	Customer relationships	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 1 April 2021	114,505	33,752	276,338	27,114	145,666	597,375
Translation	(662)	(20)	(2,070)	(12)	(128)	(2,892)
Reclassifications	13,955	(13,955)	–	–	–	–
Additions (Note 26)	1,946	14,708	–	–	–	16,654
Acquisition through business combinations	–	–	50,182	–	93,113	143,295
At 31 March 2022 and 1 April 2022	129,744	34,485	324,450	27,102	238,651	754,432
Translation	(935)	(22)	(14,136)	(408)	(6,406)	(21,907)
Reclassifications	15,361	(15,361)	–	–	–	–
Transfer from/(to) property, plant and equipment	1,519	(17)	–	–	–	1,502
Additions (Note 26)	5,508	10,983	–	–	–	16,491
Disposal	(25,975)	–	–	–	–	(25,975)
Purchase price allocation adjustment (Note 18)	–	–	(10,057)	78,148	(59,731)	8,360
At 31 March 2023	125,222	30,068	300,257	104,842	172,514	732,903
Accumulated depreciation						
At 1 April 2021	105,668	–	–	23,602	57,426	186,696
Translation	(630)	–	–	(12)	94	(548)
Amortisation	4,600	–	–	1,918	8,587	15,105
At 31 March 2022 and 1 April 2022	109,638	–	–	25,508	66,107	201,253
Translation	(745)	–	–	(21)	(320)	(1,086)
Amortisation	6,783	–	–	5,266	19,391	31,440
Disposal	(25,812)	–	–	–	–	(25,812)
At 31 March 2023	89,864	–	–	30,753	85,178	205,795
Carrying amounts						
At 1 April 2021	8,837	33,752	276,338	3,512	88,240	410,679
At 31 March 2022	20,106	34,485	324,450	1,594	172,544	553,179
At 31 March 2023	35,358	30,068	300,257	74,089	87,336	527,108

17. INTANGIBLE ASSETS (cont'd)

Customer relationships and licence

Customer relationships relate to the economic benefits that are expected to derive from business dealings with the existing customers in the Singapore, Japan, Malaysia, China and United Kingdom operations. These are acquired as part of the acquisition of the subsidiaries. The relationships include catering, 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.

Amortisation expense

The amortisation of software development, licence and customer relationships is included in the "Depreciation and amortisation charges" in the consolidated income statement.

Impairment testing of goodwill

Goodwill arising from business combinations have been allocated to the cash-generating units ("CGU") for impairment testing.

Impairment testing for CGU is carried out annually. There was no impairment loss recorded in the current and last financial year.

The carrying amounts of goodwill allocated to each CGU are as follows:

	31 Mar 2023 $'000	31 Mar 2022 $'000
SATS Food Services ("SFS")	111,791	111,791
TFK Corporation	15,326	17,059
Ground Team Red Holdings Sdn. Bhd. ("GTRH")	94,299	100,781
Nanjing Weizhou Airline Food Corp., Ltd ("NWA")	28,091	30,959
Monty's Bakehouse UK Limited ("MBUK")	11,609	13,678
SATS Food Solutions (Thailand) Co., Ltd. ("SFST")	4,144	4,324
Asia Airfreight Terminal Co., Ltd. ("AAT")	34,997	45,858
	300,257	324,450

17. INTANGIBLE ASSETS (cont'd)

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 financial forecasts include the impact of COVID-19 pandemic, management's estimated recovery of the aviation industry from COVID-19 pandemic and the long-term viability of the airline customers, which could be dependent on the refinancing or recapitalisation plan of the airlines. The recoverable amount of the CGU is highly sensitive to such financial projection. 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 growth rates		Pre-tax discount rates	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	%	%	%	%
SFS	1.3	1.0	8.9	6.6
TFK Corporation	0.5	0.8	13.0	13.6
GTRH	2.3	2.3	13.5	12.7
NWA	2.0	2.0	13.3	11.7
MBUK	1.5	1.5	14.5	13.2
SFST	0.5	2.0	14.8	10.3
AAT	2.2	1.0	12.1	10.8

17. INTANGIBLE ASSETS (cont'd)

COMPANY	Software	Work in progress	Total
	$'000	$'000	$'000
Cost			
At 1 April 2021	31,877	16,326	48,203
Additions	135	7,610	7,745
Reclassifications	13,669	(13,669)	–
At 31 March 2022 and 1 April 2022	45,681	10,267	55,948
Additions	4,782	2,800	7,582
Disposals	(13,435)	–	(13,435)
Reclassifications	8,499	(8,499)	–
At 31 March 2023	45,527	4,568	50,095
Accumulated amortisation			
At 1 April 2021	29,147	–	29,147
Amortisation	1,829	–	1,829
At 31 March 2022 and 1 April 2022	30,976	–	30,976
Amortisation	4,225	–	4,225
Disposals	(13,333)	–	(13,333)
At 31 March 2023	21,868	–	21,868
Carrying amounts			
At 1 April 2021	2,730	16,326	19,056
At 31 March 2022	14,705	10,267	24,972
At 31 March 2023	23,659	4,568	28,227

18. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	31 Mar 2023	31 Mar 2022
	$'000	$'000
Unquoted shares, at cost	960,685	949,753
Impairment loss	(26,155)	(26,000)
	934,530	923,753

The names of the subsidiaries are set out below and the country of incorporation and place of business is Singapore, unless otherwise stated:

Name of companies	Principal activities (Place of business)	Cost of investment 31 Mar 2023	Cost of investment 31 Mar 2022	Equity held 31 Mar 2023	Equity held 31 Mar 2022
		$'000	$'000	%	%
Held by the Company					
SATS Airport Services Pte Ltd[*] [a]	Airport ground handling services	16,500	16,500	100	100
SATS Catering Pte Ltd[*] [a]	Inflight catering services	14,000	14,000	100	100
SATS Security Services Private Limited [a]	Security handling services	3,000	3,000	100	100
SATS Aero Laundry Pte. Ltd.[a]	Providing and selling laundry and linen services	2,515	2,515	100	100

18. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of companies	Principal activities (Place of business)	Cost of investment 31 Mar 2023 $'000	Cost of investment 31 Mar 2022 $'000	Equity held 31 Mar 2023 %	Equity held 31 Mar 2022 %
Held by the Company (cont'd)					
SATS Aerolog Express Pte. Ltd.[a]	Airport cargo delivery management services	1,340	1,340	100	100
SATS Institutional Catering Pte. Ltd. [a]	Supplier of food products and provision of expertise and manpower to manage central kitchens & catering operations	11,030	11,030	100	100
SATS Asia-Pacific Star Pte. Ltd. [a]	Airport ground handling services and inflight catering services	#	#	100	100
SATS Food Services Pte. Ltd. [a]	Food processing and distribution services	487,260	487,260	100	100
SATS Investments Pte. Ltd.[a]	Investment holding	#	#	100	100
SATS Investments (II) Pte. Ltd.[a]	Investment holding	#	#	100	100
Cemerlang Pte. Ltd.[a]	Investment holding	#	#	100	100
SATS (India) Co. Private Limited [b]	Business development and marketing and product development (India)	228	228	100	100
SATS Services Sdn. Bhd.[b]	Shared services to the Company and its subsidiaries (Malaysia)	201	201	100	100
SATS Saudi Arabia Company [b]	Cargo handling (Saudi Arabia)	145	145	80	80
SATS Consumer Services Pte. Ltd. [a]	Provide airline and airport services, including buy on board, lounge access and concierge	100	100	100	100
GTRSG Pte. Ltd. [a]	Ground handling	754	754	20	20
SATS Group Services Sdn. Bhd.[b,k]	Investment holding (Malaysia)	–	#	–	100
Ground Team Red Holdings Sdn. Bhd. [b]	Investment holding (Malaysia)	160,886	160,886	50	50
SATS China Co., Ltd. [b]	Investment holding (People's Republic of China)	111,230	100,298	100	100
Asia Airfreight Terminal Co., Ltd. [b]	Air cargo handling services (Hong Kong)	151,496	151,496	65.4	65.4
SATS Investment (III) Pte. Ltd. [a,j]	Investment holding	#	–	100	–
SATS Treasury Pte. Ltd. [a,j]	Treasury services	#	–	100	–
		960,685	949,753		

18. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of companies (Country of incorporation)	Principal activities (Place of business)	Equity held 31 Mar 2023 %	Equity held 31 Mar 2022 %
Held through SATS Airport Services Pte Ltd			
SATS-Creuers Cruise Services Pte. Ltd.[a]	Cruise terminal management services	60	60
SATS Saudi Arabia Company [b]	Cargo handling (Saudi Arabia)	20	20
SATS Seletar Aviation Services Pte. Ltd. [a]	Terminal management services	52	52
Held through SATS Food Services Pte. Ltd.			
Primary Industries Private Limited [a]	Abattoir services	78.5	78.5
Hog Auction Market Pte Ltd [a]	Auctioneers of pigs	78.5	78.5
Primary Industries (Qld) Pty Ltd [b]	Land logistics and food solutions (Australia)	100	100
Shanghai ST Food Industries Co., Limited [c]	Manufacture and sale of frozen foodstuffs (People's Republic of China)	100	100
SFI Food Pte. Ltd.[a]	Food catering related ventures	100	100
SFI Manufacturing Private Limited [a]	Supply of food products and catering services	100	100
SATS Delaware North Pte. Ltd.[a]	Catering and food and beverages services at Singapore Sports Hub	70	70
Country Foods Pte. Ltd. [a]	Food distribution, processing and manufacturing	100	100
Held through SATS Investments Pte. Ltd.			
TFK Corporation [b,h]	Inflight catering services (Japan)	59.4	59.4
Monty's Bakehouse UK Limited [d]	Providing hand-held meals and snacks to leading airline customers globally (United Kingdom)	100	100
SATS (Thailand) Co., Ltd.[b]	Investment holding (Thailand)	100	100
Real Tasty Pte. Ltd. [a]	Snack bars, food kiosks and fast food outlets	72	100
SATS Food Solutions India Private Limited [b]	Central kitchen (India)	100	100

18. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of companies (Country of incorporation)	Principal activities (Place of business)	Equity held 31 Mar 2023 %	Equity held 31 Mar 2022 %
Held through TFK Corporation			
Inflight Foods Co., Ltd. [h,i]	Preparation and sale of inflight meals, frozen foods, seafood, meat and rice products and vegetables and fruits (Japan)	59.4	59.4
Narita Dry Ice Co., Ltd. [h,i]	Manufacture and sale of dry ice and ice cubes and sale of refrigerant and packaging material (Japan)	59.4	59.4
New Tokyo Service Co., Ltd [h,i]	Inflight catering services, and provision of manpower to inflight catering operators (Japan)	59.4	59.4
Held through SATS China Co., Ltd.			
SATS (Tianjin) Food Co., Ltd. [e]	Food production, processing and distribution (People's Republic of China)	100	100
SATS (Kunshan) Food Co., Ltd [b]	Food production, processing and distribution (People's Republic of China)	100	100
Nanjing Weizhou Airline Food Corp., Ltd [f]	Aviation food manufacturer producing frozen food, ambient meals and related food components to aviation companies (People's Republic of China)	50	50
Held through Nanjing Weizhou Airline Food Corp., Ltd.			
Ganzhou SATS Aviation Food Co., Ltd [f]	Aviation and railway food production and distribution (People's Republic of China)	50	50
Huizhou Weilian Airline Food., Ltd [f]	Aviation food production and distribution (People's Republic of China)	27.5	27.5
Shenzhen Weilian Air Catering Co., Ltd. [f]	Airline food services and other catering services (People's Republic of China)	50	50
Zhoushan Weilian Air Catering Co., Ltd [f]	Airline food services and other catering services (People's Republic of China)	50	50
Zhanjiang Wuchuan Weilian Air Catering Co., Ltd [f]	Airline food services and other catering services (People's Republic of China)	50	50
Jiangxi Weilian Air Catering Co., Ltd. [f,j]	Food business, catering services and other consumer goods business (People's Republic of China)	33	–
Held through SATS (Thailand) Co., Ltd.			
SATS Food Solutions (Thailand) Co., Ltd. [b]	Production of frozen, ready-to-cook, ready-to-eat and other food products (Thailand)	85	85

18. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of companies (Country of incorporation)	Principal activities (Place of business)	Equity held 31 Mar 2023 %	Equity held 31 Mar 2022 %
Held through Ground Team Red Holdings Sdn. Bhd.			
Ground Team Red Sdn. Bhd. [b]	Ground handling services (Malaysia)	49	49
GTRSG Pte. Ltd. [a]	Ground handling	40	40
Held through Monty's Bakehouse UK Limited			
Monty's Bakehouse NL B.V. [d]	Manufacture and supply hand-held savoury snacks and bakery to airlines and airline caterers (Netherlands)	100	100
Held through Asia Airfreight Terminal Co. Ltd			
Asia Airfreight Services Limited [b]	Provision of off-airport terminal, cargo consolidation, express delivery and other cargo related services (Hong Kong)	100	100
Held through SATS Catering Pte Ltd			
The Aviation Sustainability Forum Ltd.[g]	Aviation association for improved sustainability in inflight passenger services	100	100
Held through SATS Investment (III) Pte. Ltd.			
SATS International SAS [j]	Investment holding (France)	100	–

a. Audited by KPMG LLP, Singapore.
b. Audited by member firms of KPMG International in the respective countries.
c. Audited by Shanghai Xin Ning Certified Public Accountants Audit Firm Co., Ltd.
d. Audited by Grant Thornton UK LLP.
e. Audited by CAC CPA Limited Liability Partnership.
f. Audited by Jonten Certified Public Accountants (Limited Liability Partnership).
g. Audited by Ardent Assurance.
h. Percentage of equity held excludes Treasury Shares held by TFK Corporation.
i. Not required to be audited under the laws of their countries of incorporation.
j. Incorporated during the year.
k. Liquidated during the year/ struck off from Register of the Companies Commission of Malaysia and dissolved under section 550 of the Companies Act 2016 on 7th June 2022

Amount is less than $1,000.
* Significant subsidiaries in FY2022-23 in accordance to Rule 718 of the Singapore Exchange Securities Trading Limited – Listing Rules.

18. INVESTMENTS IN SUBSIDIARIES (cont'd)

Interest in subsidiaries with material non-controlling interest (NCI)

The Group has the following subsidiaries that have NCI that are material to the Group:

Name of subsidiaries (Place of business)	Proportion of ownership interest held by non-controlling interest	Loss allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period	Dividends paid to NCI
	%	$'000	$'000	$'000
TFK Corporation and its subsidiaries (Japan)				
31 March 2023	40.6	(10,237)	(28,146)	–
31 March 2022	40.6	(6,729)	(34,866)	–
Ground Team Red Holdings Sdn. Bhd. and its subsidiaries (Malaysia)				
31 March 2023	50.0	(6,445)	(50,007)	–
31 March 2022	50.0	(6,946)	(57,788)	–
Asia Airfreight Terminal Co. Ltd (Hong Kong)				
31 March 2023	34.6	(6,672)	(61,096)	(36,105)
31 March 2022	34.6	–	(99,677)	–

Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised statement of comprehensive income:

	TFK		GTRH		AAT*	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	87,979	77,521	66,343	22,940	119,205	–
Loss before tax	(35,853)	(23,459)	(16,751)	(17,809)	(22,121)	–
Income tax credit	10,638	6,886	3,926	4,227	2,839	–
Loss after tax	(25,215)	(16,573)	(12,825)	(13,582)	(19,282)	–
Other comprehensive income	(81,143)	(63,813)	(14,134)	(1,692)	(29,456)	–
Total comprehensive income	(106,358)	(80,386)	(26,959)	(15,274)	(48,738)	–

18. INVESTMENTS IN SUBSIDIARIES (cont'd)

Summarised financial information about subsidiaries with material NCI (cont'd)

Summarised statement of financial position as at 31 March:

	TFK		GTRH		AAT*	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	$'000	$'000	$'000	$'000	$'000	$'000
Current assets	26,023	21,645	14,782	5,360	74,492	184,539
Current liabilities	(25,524)	(26,932)	(29,746)	(14,932)	(55,128)	(69,738)
	499	(5,287)	(14,964)	(9,572)	19,364	114,801
Non-current assets	164,163	187,482	190,327	211,030	313,528	359,799
Non-current liabilities	(79,702)	(79,259)	(43,923)	(48,175)	(119,887)	(140,659)
	84,461	108,223	146,404	162,855	193,641	219,140
Net assets	84,960	102,936	131,440	153,283	213,005	333,941

Other summarised information:

	TFK		GTRH		AAT*	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	$'000	$'000	$'000	$'000	$'000	$'000
Net cash (outflow)/inflow from operations	(18,345)	(21,313)	(3,236)	(4,165)	24,544	–
Acquisition of significant property, plant and equipment, and intangible assets	(958)	(1,628)	(1,003)	(462)	(4,930)	–

* AAT became a subsidiary on 23 March 2022 subsequent to step-up acquisition of additional 16.4% equity interest. No summarised statement of comprehensive income and other summarised information was disclosed for AAT as the transactions from 23 March 2022 to 31 March 2022 were immaterial.

18. INVESTMENTS IN SUBSIDIARIES (cont'd)

Step-up acquisition of Asia Airfreight Terminal Co. Ltd

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

The Company has subsequently concluded the purchase price allocation review and adjusted the provisional goodwill and net assets acquired at the acquisition date to reflect new information obtained based on facts and circumstances that existed as of the acquisition date.

The fair value of the identifiable assets and liabilities as at 31 March 2022 were:

	Amount as at 31 March 2022		
	Provisional amount previously reported	Fair value adjustments	Final amount
	$'000	$'000	$'000
Property, plant and equipment	88,621	–	88,621
Right-of-use assets	132,782	–	132,782
Intangible assets	93,113	18,417	111,530
Trade and other receivables	22,760	–	22,760
Other current assets	2,508	–	2,508
Cash and bank balances	159,751	–	159,751
	499,535	18,417	517,952
Other non-current liabilities	(125,621)	–	(125,621)
Trade and other payables	(49,381)	–	(49,381)
Other current liabilities	(20,538)	–	(20,538)
Deferred tax liabilities	(15,364)	(3,039)	(18,403)
	(210,904)	(3,039)	(213,943)
Total net identifiable assets at fair value	288,631	15,378	304,009
Consideration transferred	58,835	–	58,835
Fair value of existing 49% stake	175,788	–	175,788
Non-controlling interest measured at the non-controlling interest's proportionate share	99,866	5,321	105,187
Less: Goodwill arising from acquisition	(45,858)	10,057	(35,801)
	288,631	15,378	304,009

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

18. INVESTMENTS IN SUBSIDIARIES (cont'd)

Loan to subsidiaries

	COMPANY	
	31 Mar 2023	31 Mar 2022
	$'000	$'000
Non-current	349,979	388,428
Current	77,110	–

Non-current loan to subsidiaries

- The unsecured loan of $45,000,000 at 31 March 2022 is repayable by 31 March 2024. As at 31 March 2023, the loan is reported under current loan.
- $3,105,000 (2022: $3,105,000) is unsecured, bears interest at 5% per annum and is repayable by April 2024.
- $7,000,000 (2022: Nil) is unsecured, bears interest at 5.5% per annum and is repayable by December 2025.
- $1,700,000 (2022: Nil) is unsecured, bears interest at 4.5% per annum and is repayable by December 2025.
- $100,000 (2022: Nil) is unsecured, bears interest at 4.5% per annum and is repayable by March 2026.

The remaining loans to subsidiaries of $338,074,000 (2022: $340,323,000) are unsecured, non-interest bearing, repayable on demand and not expected to be repaid in the next 12 months.

Current loan to subsidiaries

- $45,000,000 (2022: Nil) is unsecured, bears interest at 1.5% per annum above the 12 months SGD SIBOR and is repayable by 31 March 2024.
- $32,110,000 (2022: Nil) is unsecured, bears interest at 5% per annum and is repayable by June 2023.

Loan from subsidiaries

Current loan from subsidiaries of $163,000,000 (2022: $167,800,000) is unsecured, bears interest at SIBOR less than 0.3% (2022: 0.15%) per annum and repayable on demand.

19. INVESTMENT IN ASSOCIATES

	GROUP		COMPANY	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	$'000	$'000	$'000	$'000
Quoted shares, at cost	116,428	116,428	–	–
Unquoted shares, at cost	336,328	385,385	282,811	282,811
Impairment loss	(22,790)	(58,365)	(68,865)	(61,550)
Share of post-acquisition results	137,932	112,940	–	–
Accumulated amortisation of intangible assets	(68,611)	(63,986)	–	–
Share of statutory reserves of associates	13,950	13,948	–	–
Share of changes recognised directly in associates' equity	(12,309)	(13,580)	–	–
Foreign currency translation adjustments	(123,030)	(98,959)	–	–
	377,898	393,811	213,946	221,261

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.

Amounts due from associates

The amounts due from associates amounting to $1,083,000 (2022: $2,264,000) are unsecured, trade-related and are repayable on demand. No impairment was provided for in the current financial year (2022: Nil).

19. INVESTMENT IN ASSOCIATES (cont'd)

Name of companies	Principal activities (Place of business)	GROUP Cost of investment 31 Mar 2023 $'000	GROUP Cost of investment 31 Mar 2022 $'000	GROUP Equity held 31 Mar 2023 %	GROUP Equity held 31 Mar 2022 %
Held by the Company					
Maldives Inflight Catering Private Limited [h, k]	Inflight catering services (Republic of Maldives)	287	287	35.0	35.0
Beijing Airport Inflight Kitchen Limited [c, k]	Inflight catering services (People's Republic of China)	13,882	13,882	28.0	28.0
Beijing Aviation Ground Services Co., Ltd [e, k]	Airport ground handling services (People's Republic of China)	17,101	17,101	29.0	29.0
Aviserv Limited [f, k] (Incorporated in Ireland)	Inflight catering services (Pakistan)	3,313	3,313	49.0	49.0
Tan Son Nhat Cargo Services Joint Stock Company Limited [g, k]	Air cargo handling services (Vietnam)	979	979	15.0	15.0
Servair-SATS Holding Company Pte Ltd [h, k]	Investment holding (Singapore)	509	509	49.0	49.0
MacroAsia Catering Services, Inc. [h, k]	Inflight catering services (Philippines)	11,604	11,604	33.0	33.0
Evergreen Airline Services Corporation [g, k]	Airport ground handling services (Taiwan)	5,404	5,404	20.0	20.0
Evergreen Air Cargo Services Corporation [i, k]	Air cargo handling services (Taiwan)	16,163	16,163	25.0	25.0
Taj SATS Air Catering Limited [b]	Catering services (India)	24,646	24,646	49.0	49.0
PT Jasa Angkasa Semesta, Tbk [h, k]	Ground and cargo handling (Indonesia)	105,532	105,532	49.8	49.8
Evergreen Sky Catering Corporation [g, k]	Inflight catering services (Taiwan)	39,765	39,765	25.0	25.0

19. INVESTMENT IN ASSOCIATES (cont'd)

		GROUP			
		Cost of investment		Equity held	
Name of companies	Principal activities (Place of business)	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 %	31 Mar 2022 %
Held by the Company (cont'd)					
SATS HK Limited [h, k]	Ramp services, passenger handling services and operations control services (Hong Kong)	14,813	14,813	49.0	49.0
KrisShop Pte. Ltd. [a]	Travel retail business, offer inflight and ground-based duty-free and duty paid goods (Singapore)	7,316	7,316	15.0	15.0
Beijing CAH SATS Aviation Services Co., Ltd. [d, k]	Ground and cargo handling Services (People's Republic of China)	21,497	21,497	40.0	40.0
		282,811	282,811		
Held through TFK Corporation					
Tasco Foods Co., Ltd.[l]	Production and sales of confectionery (Japan)	2,748	2,748	29.6	29.6
Held through SATS Investments Pte. Ltd.					
Brahim's SATS Investment Holdings Sdn. Bhd. [j, k, m]	Investment holding company (Malaysia)	–	49,057	–	49.0
Oman SATS LLC [i, k]	Air cargo handling services (Oman)	23,038	23,038	33.0	33.0
Held through SATS Investments (II) Pte. Ltd. & Cemerlang Pte. Ltd.					
PT Cardig Aero Services Tbk [h, k]	Aviation support and catering services (Indonesia)	116,428	116,428	41.7	41.7
Held through SATS Investments (II) Pte. Ltd.					
Mumbai Cargo Service Center Airport Private Limited [b]	Air cargo handling services (India)	16,363	16,363	49.0	49.0
Held through SATS Catering Pte. Ltd.					
PT Purantara Mitra Angkasa Dua [h, k]	Aviation catering services (Indonesia)	11,368	11,368	20.0	20.0
		452,756	501,813		

19. INVESTMENT IN ASSOCIATES (cont'd)

a Audited by KPMG LLP, Singapore.
b Audited by member firms of KPMG International in the respective countries.
c Audited by Beijing Zhong Rui Cheng Certified Public Accountants Co., Ltd.
d Audited by Beijing Xinyong Certified Public Accountants Co. Ltd, Beijing.
e Audited by Grant Thornton, China.
f Audited by Fitzgerald & Associates, Ireland.
g Audited by Deloitte and Touche and its member firms.
h Audited by Ernst & Young and its member firms.
i Audited by PricewaterhouseCoopers and its member firms.
j Audited by Baker Tilly Monteiro Heng PLT.
k Financial year end on 31 December.
l Not required to be audited under the laws of their countries of incorporation.
m Disposed during the year

There was no associate company that was considered as significant in accordance to Rule 718 of the Singapore Exchange Securities Trading Limited – Listing Rules.

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 $106,831,000 (2022: $65,484,000), of which $51,521,000 (2022: $37,758,000) 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 $25,103,000 (2022: $31,253,000), (ii) pledged its shares in the associate as collateral and (iii) provided an undertaking to lenders that it will maintains its ownership in the associate, and will provide any shortfall in resources and support as required.

The Group's material investments in associates are summarised below:

	31 Mar 2023 $'000	31 Mar 2022 $'000
PT Jasa Angkasa Semesta, Tbk ("PT Jas")	68,664	66,978
PT Cardig Aero Services Tbk ("PT Cas")	85,646	87,776
Evergreen Sky Catering Corporation ("ESCC")	56,061	61,041
Other associates	167,527	178,016
	377,898	393,811
Fair value of PT Cas based on the quoted market price at reporting date (Level 1 in the fair value hierarchy)	32,182	30,231

Aggregate information about the Group's investments in associates that are not individually material are as follows:

	2022-23 $'000	2021-22 $'000
Share of profit after tax	16,294	5,278
Other comprehensive income	(8,807)	1,020
Total comprehensive income	7,487	6,298

19. INVESTMENT IN ASSOCIATES (cont'd)

The summarised financial information in respect of PT Jas, AAT, 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:

Summarised statement of comprehensive income:

	PT Jas		AAT*		PT Cas		ESCC	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	141,123	117,307	–	152,474	165,744	135,329	104,719	33,122
Profit/(loss) after tax	31,310	24,621		16,394	11,321	(2,493)	4,880	(24,640)
Other comprehensive income		–	–	–	501	(700)	(11,629)	680
Total comprehensive income	31,310	24,621	–	16,394	11,822	(3,193)	(6,749)	(23,960)

Summarised statement of financial position as at 31 March:

	PT Jas		AAT*		PT Cas		ESCC	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current assets	64,106	67,928	–	–	68,809	64,632	50,620	38,870
Non-current assets excluding goodwill	48,431	33,258	–	–	78,324	80,581	287,228	321,550
Goodwill	–	–	–	–	1,324	1,443	–	–
Total assets	112,537	101,186	–	–	148,457	146,656	337,848	360,420
Current liabilities	45,888	44,123	–	–	69,340	81,045	49,329	20,108
Non-current liabilities	10,199	8,572	–	–	14,625	14,004	75,765	115,718
Total liabilities	56,087	52,695	–	–	83,965	95,049	125,094	135,826
Net assets	56,450	48,491	–	–	64,492	51,607	212,754	224,594

* AAT became a subsidiary during the last financial year subsequent to step-up acquisition of additional 16.4% equity interest on 23 March 2022.

19. INVESTMENT IN ASSOCIATES (cont'd)

	PT Jas		AAT*		PT Cas		ESCC	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Net assets excluding goodwill	56,450	48,491	–	–	63,168	50,164	212,754	224,594
Less: Non-controlling interest	–	–	–	–	(22,404)	(18,722)	–	–
	56,450	48,491	–	–	40,764	31,442	212,754	224,594
Proportion of the Group's ownership	49.8%	49.8%	–	–	41.7%	41.7%	25.0%	25.0%
Group's share of net assets	28,112	24,148	–	–	16,978	13,096	53,188	56,148
Goodwill on acquisition and intangible assets	40,552	42,830	–	–	68,668	74,680	2,873	4,893
Carrying amount of the investment	68,664	66,978	–	–	85,646	87,776	56,061	61,041
Group's interest in net assets of investee at beginning of the year	66,978	56,354	–	127,542	87,776	89,969	61,041	68,981
Group's share of:								
Profit/(loss) after tax	15,592	12,261	–	8,033	2,601	(3,160)	(707)	(8,175)
Other comprehensive income	(3,334)	347	–	(229)	(4,731)	967	(4,273)	235
Equity stake disposed	–	–	–	(118,485)		–		–
Total comprehensive income	12,258	12,608	–	(110,681)	(2,130)	(2,193)	(4,980)	(7,940)
Dividends received during the year	(10,572)	(1,984)	–	(16,861)		–		–
Carrying amount of interest in investee at end of the year	68,664	66,978	–	–	85,646	87,776	56,061	61,041

20. INVESTMENT IN JOINT VENTURES

	GROUP		COMPANY	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	$'000	$'000	$'000	$'000
Unquoted shares, at cost	34,186	34,126	12,014	12,014
Post-acquisition revenue reserve capitalised as share capital	3,090	3,090	–	–
Share of post-acquisition results	48,893	37,129	–	–
Others	(590)	(325)	–	–
Foreign currency translation	(19,140)	(13,814)	–	–
	66,439	60,206	12,014	12,014

Amounts due from/to joint ventures

The amounts due from joint ventures amounting to $935,000 (2022: $59,000) and amount due to joint ventures amounting to $11,624,000 (2022: $11,400,000) are unsecured, trade-related and are repayable on demand. No impairment was provided for in the current financial year (2022: Nil).

		GROUP			
		Cost of investment		Equity held	
Name of companies	Principal activities (Place of business)	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 %	31 Mar 2022 %
Held by the Company					
Air India SATS Airport Services Private Limited [a]	Ground handling and cargo handling services (India)	12,014	12,014	50.0	50.0
Unquoted shares held by Company, at cost		12,014	12,014		

20. INVESTMENT IN JOINT VENTURES (cont'd)

		GROUP			
		Cost of investment		Equity held	
Name of companies	Principal activities (Place of business)	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 %	31 Mar 2022 %
Held through SATS Food Services Pte. Ltd					
SG IPF Pte. Ltd.[b]	Investment holding (Singapore)	13,017	12,957	60.0	60.0
Held through SATS Asia-Pacific Star					
DFASS SATS Pte. Ltd. [b]	Inflight duty-free and duty-paid sales, offer mail order and pre-order service, supply liquor for inflight pantry services, and operate ground based duty-free and duty-paid retail sales (Singapore)	9,019	9,019	50.0	50.0
Held through SATS Airport Services Pte Ltd					
SATS PPG Singapore Pte. Ltd. [b]	Manage and operate airport lounge (Singapore)	136	136	50.0	50.0
		34,186	34,126		

a Audited by member firm of KPMG International.
b Audited by KPMG LLP, Singapore.

The Group's material investments in joint ventures are summarised below:

	31 Mar 2023 $'000	31 Mar 2022 $'000
Air India SATS Airport Services Private Limited ("AISATS)	42,226	35,146
Other joint ventures	24,213	25,060
	66,439	60,206

Aggregate information about the Group's investments in joint ventures that are not individually material are as follows:

	2022-23 $'000	2021-22 $'000
Share of profit/(loss) after tax	323	(78)
Other comprehensive income	(1,230)	763
Total comprehensive income	(907)	685

20. INVESTMENT IN JOINT VENTURES (cont'd)

The summarised financial information in respect of AISATS based on its financial statement and a reconciliation with the carrying amount of the investment in consolidated financial statements are as follows:

	AISATS	
	2022-23	2021-22
	$'000	$'000
Revenue	117,256	103,137
Operating expenses	(75,227)	(92,257)
Interest expenses	(1,837)	(2,169)
Profit before tax	40,192	8,711
Income tax expense	(17,310)	(2,722)
Profit after tax	22,881	5,989
Total comprehensive income	22,881	5,989

Summarised statement of financial position as follow:

	AISATS	
	31 Mar 2023	31 Mar 2022
	$'000	$'000
Cash and cash equivalents	3,268	7,270
Inventories	3,054	2,228
Other receivable	13,758	–
Trade receivable	44,124	23,302
Current assets	64,204	32,800
Non-current assets	70,846	93,268
Total assets	135,050	126,068
Current liabilities	33,250	27,821
Non-current liabilities	17,349	27,955
Total liabilities	50,599	55,776
Net assets	84,451	70,292
Proportion of the Group's ownership	50.0%	50.0%
Group's share of net assets	42,226	35,146
Carrying amount of the investment	42,226	35,146
Group's interest in net assets of investee at beginning of the year	35,146	32,758
Group's share of total comprehensive income	7,080	2,388
Carrying amount of interest in investee at end of the year	42,226	35,146

21. LONG-TERM INVESTMENTS

	GROUP		COMPANY	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	$'000	$'000	$'000	$'000
Quoted equity investment	327	303	–	–
Unquoted equity investment	6,060	6,060	6,060	6,060
Loan, secured	7,755	7,894	–	–
Others	93	320	–	–
	14,235	14,577	6,060	6,060

The secured loan of $7,755,000 (2022: $7,894,000) refers to an investment in a 5-year secured loan of US$5,833,000 (2022: US$5,833,000) with interest rate of 6.5% (2022: 6.5%) per annum (Note 31(c)).

No impairment charge was recorded in the current financial year (2022: Nil).

22. DEFERRED TAXATION

	GROUP			
	Consolidated Statement of Financial Position		Consolidated Income Statement	
	31 Mar 2023	31 Mar 2022	2022-23	2021-22
	$'000	$'000	$'000	$'000
Deferred tax liabilities				
Property, plant and equipment	37,981	42,986	3,759	3,567
Intangible assets	29,206	31,758	4,142	2,021
Accruals	(1,686)	(2,818)	(1,102)	658
Defined benefit plan	58	58	–	–
Unremitted foreign dividend and interest income	6,478	6,478	–	–
Fair value gain	2,336	2,639	195	–
Unutilised tax losses/capital allowances	(596)	(3,975)	(756)	3,474
Undistributed earnings of associates/joint ventures	16,146	13,941	(2,204)	(1,213)
Other temporary differences	(1,664)	(627)	1,074	(58)
	88,259	90,440		
Deferred tax assets				
Accruals	7,691	3,711	2,759	(1,501)
Unutilised tax losses	44,335	49,771	3,253	27,389
Property, plant and equipment	3,608	3,925	289	1,063
	55,634	57,407	11,409	35,400

	COMPANY	
	31 Mar 2023	31 Mar 2022
	$'000	$'000
Deferred tax liabilities		
Property, plant and equipment	19,789	21,520
Accruals	(380)	(1,551)
Unremitted foreign dividend and interest income	6,478	6,944
	25,887	26,913

22. DEFERRED TAXATION (cont'd)

Unrecognised tax losses

As at 31 March 2023, the Group has tax losses of approximately $69,895,000 (2022: $20,113,000) 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 is 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.

23. OTHER NON-CURRENT ASSETS

Other non-current assets relate mainly to long-term prepayments and lease deposits.

24. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Trade receivables	170,604	136,439	3,492	604
Staff loans	376	265	93	59
Sundry receivables	46,331	60,458	5,636	2,462
Government grant receivables	41,297	50,718	6,068	2,506
Amounts due from related parties – Trade	222,437	139,841	50,254	–
Amounts due from related companies – Non-trade	–	–	2,010,323	152,829
	481,045	387,721	2,075,866	158,460

Trade receivables are generally on 30 – 90 day terms.

Trade receivables denominated in foreign currencies at 31 March are as follows:

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
United States Dollar	15,150	2,850	–	–
Euro	–	–	1,773,991	–

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.

24. TRADE AND OTHER RECEIVABLES (cont'd)

Trade receivables are stated after impairment. Analysis of the impairment account is as follows:

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Balance at 1 April	26,241	13,631	59	116
Exchange differences	(799)	336	–	–
Write-off against provisions	(15,578)	(141)	–	–
Charge to/(write-back) income statement	178	11,134	–	(57)
Acquisition of subsidiary	–	1,281	–	–
Balance at 31 March	10,042	26,241	59	59
Bad debts (recovered)/write-off directly to income statement	(169)	(218)	5	162

Staff loans

There was no interest charge on the staff loans for FY2022-23 and FY2021-22.

Sundry receivables

Sundry receivables are unsecured, interest-free and repayable upon demand.

Amounts due from related parties

The amounts due from related parties are trade-related, with a credit term of 45 days.

Amounts due from related companies

The amounts due from related companies are unsecured, interest-free and are repayable upon demand.

25. INVENTORIES

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Food supplies and dry stores	56,320	71,345	–	–
Technical spares	11,387	10,849	–	–
Other consumables	983	961	775	757
	68,690	83,155	775	757
Income Statement:				
Inventories recognised as an expense	235,409	259,962	–	–
Inclusive:				
Inventories written down	1,617	806	–	–

26. CASH AND CASH EQUIVALENTS

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.00% to 3.15% (2022: 0.00% to 2.5%) per annum. Short-term deposits are made for varying periods of between 3 days to 12 months depending on the expected cash requirements of the Group, and earn interest at the effective interest rate ranging from 0.00% to 4.63% (2022: 0.00% to 2.96%) 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 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	$'000	$'000	$'000	$'000
Fixed deposits	72,029	566,161	–	459,509
Cash and bank balances	302,429	219,880	181,431	46,272
Cash and cash equivalents	374,458	786,041	181,431	505,781

(b) Analysis of capital expenditure cash flows:

	GROUP	
	2022-23	2021-22
	$'000	$'000
Additions of property, plant and equipment (Note 14)	107,721	62,605
Additions of intangible assets (Note 17)	16,491	16,654
Accrual for purchases of property, plant and equipment (Note 27)	(4,812)	(1,270)
Cash invested in property, plant and equipment and intangible assets	119,400	77,989

(c) Cash and cash equivalents denominated in foreign currencies at 31 March are as follows:

	GROUP		COMPANY	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	$'000	$'000	$'000	$'000
Australian Dollar	567	3,054	–	–
United States Dollar	15,783	4,119	12,954	3,891
Japanese Yen	21	241	21	241
Euro	2,438	90	2,325	–

27. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	$'000	$'000	$'000	$'000
Current:				
Trade payables	341,651	248,063	64,759	16,605
Tender deposits	4,678	4,229	3,457	3,309
Accrued expenses	149,151	180,721	23,882	29,442
Purchase of property, plant and equipment	22,856	18,044	35	526
Others	3,503	4,896	–	–
Amounts due to related companies	652	1,993	51	7
Amounts due to related companies- Non-trade	–	–	78,918	82,824
Trade and other payables	522,491	457,946	171,102	132,713
Non-current:				
Deferred consideration	16,221	20,319	–	–
Accrued expenses	23,662	22,452	4,540	6,710
Other payables	39,883	42,771	4,540	6,710

Trade and other payables 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.

Trade and other payables denominated in foreign currencies are as follows:

	GROUP		COMPANY	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	$'000	$'000	$'000	$'000
Australian Dollar	204	423	–	–
Euro	237	180	48	–
United States Dollar	1,376	1,407	1,327	184
Japanese Yen	–	–	253	–

Amounts due to related companies

These amounts are unsecured, non-interest bearing and repayable on demand. Purchases from related companies are made at agreed terms.

28. NOTES AND BORROWINGS

	GROUP		COMPANY	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	$'000	$'000	$'000	$'000
Current:				
Unsecured term loans	235	88,601	–	–
Secured term loans	12,738	13,084	–	–
	12,973	101,685	–	–
Non-current:				
Unsecured notes payable	300,000	300,000	300,000	300,000
Unsecured term loans	833,526	109,127	801,340	86,646
	1,133,526	409,127	1,101,340	386,646
Total notes and borrowings	1,146,499	510,812	1,101,340	386,646

As at 31 March 2023, there were nine (2022: nine) unsecured term loans held by the Group and two (2022: one) unsecured term loans held by the Company.

There were eleven (2022: ten) secured term loans held by the Group as at 31 March 2023. The term loans as at 31 March 2023 were secured on the property, plant and equipment and other assets of the subsidiaries.

Weighted average effective interest rate of term loans at the end of reporting period

Interest Rates	GROUP		COMPANY	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	%	%	%	%
Unsecured term loans:				
Fixed rate	1.2%- 6.00%	0.76%-5.00%	0.64%	–
Floating rate	3.88%	4.45%	3.88%	0.62%
Secured term loans:				
Fixed rate	3.65%-5.45%	0.50%-5.60%	–	–

28. NOTES AND BORROWINGS (cont'd)

Unsecured multicurrency medium term notes issued by the Company

Series	Year of issuance	Fixed interest rate (%)	Date payable	31 Mar 2023 $'000	31 Mar 2022 $'000
001	2020	2.88	Mar 2025	200,000	200,000
002	2021	2.60	Apr 2025	100,000	100,000

Hedge of net investments in foreign operations

Included in term loans as at 31 March 2023 was the term loan of JPY 7.8 billion (2022: JPY 7.8 billion), approximately $77.8 million (2022: $86.6 million), which have been designated as a hedge of the net investment in its subsidiary, TFK Corporation in Japan, and is being used to hedge the Group's exposure to foreign exchange risk on this investment. Foreign exchange gains or losses on the translation of this term loan are transferred to equity to offset any gains or losses on translation of the net investment in the subsidiary. There is no ineffectiveness portion transferred to profit or loss in the year ended 31 March 2023 (2022: Nil).

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 Promontoria Holding 243 B.V., which owns 100% of the shares of global air cargo logistics provider, Worldwide Flight Services ("WFS").

The foreign exchange risk on the purchase consideration relating to the acquisition of Promontoria Holding 243 B.V. has been hedged.

Hedge of interest rate risk for floating rate term loan

As at 31 March 2023, 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. The fair value of the interest rate swap as at 31 March 2023 is immaterial.

28. NOTES AND BORROWINGS (cont'd)

Reconciliation of movements of liabilities to cash flows from financing activities

	Term Loans $'000	**Notes Payable** **$'000**	**Leases** $'000	**Total** $'000
At 1 April 2021	378,143	300,000	195,291	873,434
Changes from financing cash flows				
Proceed from borrowings	21,077	–	–	21,077
Repayment of term loans	(181,994)	–	–	(181,994)
Repayment of leases and related charges	–	–	(25,986)	(25,986)
Effect of changes in foreign exchange rates	(8,455)	–	(5,816)	(14,271)
Other changes				
Acquisition of subsidiaries	–	–	136,598	136,598
Addition of lease liabilities	–	–	25,682	25,682
Interest expense/professional fees	2,041	–	5,125	7,166
Termination of contracts	–	–	(3,862)	(3,862)
Balance at 31 March 2022 and 1 April 2022	210,812	300,000	327,032	837,844
Changes from financing cash flows				
Proceeds from borrowings	752,874	–	–	752,874
Repayment of term loans	(106,438)	–	–	(106,438)
Repayment of leases and related charges	–	–	(60,101)	(60,101)
Effect of changes in foreign exchange rates	(12,375)	–	(3,455)	(15,830)
Other changes				
Addition of lease liabilities	–	–	61,181	61,181
Interest expense/professional fees	1,626	–	7,227	8,853
Balance at 31 March 2023	846,499	300,000	331,884	1,478,383

29. 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	
	2022-23	2021-22
	$'000	$'000
Services rendered by:		
Related parties	40,410	33,212
Sales to:		
Related parties	707,633	345,321

Remuneration of key management personnel

	GROUP	
	2022-23	2021-22
	$'000	$'000
Directors		
Directors' fees – paid by the Company	1,278	1,191
Key executives		
Salary, bonuses and other costs	5,105	5,405
CPF and other defined contributions plans	59	56
Share-based compensation expense (net of reversal)	1,667	261
	6,831	5,722

30. CAPITAL AND OTHER COMMITMENTS

The Group and the Company have commitments for capital expenditure. Such commitments aggregated to $249.8 million (2022: $89.0 million) for the Group and $132.7 million (2022: $20.4 million) for the Company. In aggregate, these commitments are not at prices in excess of current market prices.

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Risk Management

The Group operates principally in Singapore and generates revenue mainly in Singapore Dollars. The Group also has investments outside of Singapore and it operates in more than 14 countries. 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.

Financial risk management policies are periodically reviewed and approved by the Board of Directors. 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:

GROUP	31 Mar 2023 USD $'000	31 Mar 2023 EUR $'000	31 Mar 2023 AUD $'000	31 Mar 2022 USD $'000	31 Mar 2022 EUR $'000	31 Mar 2022 AUD $'000
Trade and other receivables	15,150	113	–	2,850	–	–
Cash and cash equivalents	15,783	2,438	567	4,119	90	3,054
Loan, secured	7,755	–	–	7,894	–	–
Deposit with notary	–	1,773,991*	–	–	–	–
Trade and other payables	(1,376)	(237)	(204)	(1,407)	(180)	(423)
Notes and borrowings	–	(723,500)*	–	–	–	–
	37,312	1,052,805	363	13,456	(90)	2,631

* Refer to note 28 for details of hedge accounting

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

(a) Foreign Currency Risk (cont'd)

The following significant exchange rates have been applied.

	Average rate		Year-end spot rate	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
USD	1.372	1.348	1.329	1.353
EUR	1.429	1.565	1.447	1.508
AUD	0.937	0.995	0.887	1.012

Sensitivity analysis

A reasonably possible strengthening/(weakening) of the Singapore dollar, as indicated below against the USD, EUR and AUD 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	
	2023	2022
	$'000	$'000
USD (5% strengthening)	(1,866)	(673)
EUR (5% strengthening)	(116)	4
AUD (5% strengthening)	(18)	(132)
USD (5% weakening)	1,866	673
EUR (5% weakening)	116	(4)
AUD (5% weakening)	18	132

(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 26) and notes and borrowings (Note 28).

The Group policy is to manage interest cost using a mix of fixed and variable rate debts, and interest rate economic effect of converting borrowings from variable rates to fixed rates or vice versa. Under the interest rate swap, the Group agreed with the counter party to exchange, at specified intervals mainly quarterly, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affecting the interest income or finance charges of variable interest financial instruments, excluding the variable rate term loan that is hedged with an interest rate swap.
- Changes in market interest rates affecting the carrying value of financial instruments with fixed interest rates if these are recognised at their fair value.

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

(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	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Effect of an increase in 50 basis points in market interest rates				
Profit/(loss) before tax	1,038	642	(4,597)	(807)
Effect of a decrease in 50 basis points in market interest rates				
Profit/(loss) before tax	(1,038)	(642)	4,597	807

(c) 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 2023 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.

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.

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

(c) Credit Risk (cont'd)

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	
GROUP	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	$'000	$'000	%	%
By industry				
Airlines	303,897	174,131	35.4	14.8
Financial institutions	365,958	786,041	42.6	66.7
Others	189,780	218,065	22.0	18.5
	859,635	1,178,237	100.0	100.0
By region				
Singapore	671,255	894,132	78.1	75.9
Japan	22,900	18,145	2.7	1.5
Others	165,480	265,960	19.2	22.6
	859,635	1,178,237	100.0	100.0
COMPANY				
By industry				
Airlines	3,492	537	0.1	0.1
Financial institutions	181,431	505,781	6.7	47.9
Related parties	2,494,472	541,316	92.8	51.2
Others	11,797	8,679	0.4	0.8
	2,691,192	1,056,313	100.0	100.0
By region				
Singapore	2,583,575	1,004,880	96.0	95.1
Others	107,617	51,433	4.0	4.9
	2,691,192	1,056,313	100.0	100.0

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

(c) Credit Risk (cont'd)

Trade receivables

At the end of the reporting period, approximately:

- 56% (2022: 50%) of the Group's trade receivables were due from a major customer located in Singapore.
- 57% (2022: 51%) 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.

GROUP	Weighted average loss rate		Gross carrying value		Impairment loss allowance	
	31 Mar 2023 %	31 Mar 2022 %	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Not past due	–	–	319,725	172,150	–	–
Past due 1 to 30 days	–	1.03	35,383	36,385	–	375
Past due 31 to 90 days	0.1	11.22	19,065	40,021	26	4,490
More than 90 days	34.6	39.61	28,910	53,965	10,016	21,376
			403,083	302,521	10,042	26,241

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 2023 are current. The Group assesses that no allowance for impairment loss on other receivables is required.

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

(c) Credit Risk (cont'd)

Amount due from related companies – Non-trade and loan to subsidiaries

The Company held non-trade receivables due from its related companies of $2,010,323,000 (2022: $152,829,000) and loan to subsidiaries of $427,089,000 (2022: $388,428,000). 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.

Financial guarantees

The Group has issued financial guarantees to financial institution for granting of credit and banking facilities to its associate (see Note 19). 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 $374.4 million as at 31 March 2023 (2022: $786.0 million). The cash and cash equivalents are held with bank and financial institution counterparties.

	Group			
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	$'000	$'000	%	%
Investment grade (A to Aaa)	340,044	759,205	90.8	96.6
Others	34,414	26,836	9.2	3.4
	374,458	786,041	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.

Loan, secured

The Group held a 5-year secured loan which has been fully collaterised with quoted equity shares. The carrying amount of the loan is $11,077,000 (2022: $11,276,000) As the estimated fair value of the quoted shares is higher than the carrying value of the secured loan, the Group assesses that no allowance for credit losses is required.

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

(d) Liquidity Risk

As at 31 March 2023, the Group had at its disposal, cash and cash equivalents amounting to $374.4 million (2022: $786.0 million). In addition, the Group has available short-term credit facilities of approximately $476.5 million (2022: $564.3 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.

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	1–2 years	2–5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000	$'000
31 March 2023					
Financial assets:					
Trade and other receivables	481,045	–	–	–	481,045
Amount due from associates/ joint ventures	2,018	–	–	–	2,018
Loan to associate	2,174	–	–	–	2,174
Cash and cash equivalents	374,458	–	–	–	374,458
Total undiscounted financial assets	859,695	–	–	–	859,695
Financial liabilities:					
Trade and other payables	516,290	30,567	7,471	1,846	556,174
Amount due to joint ventures	11,624	–	–	–	11,624
Notes and borrowings	74,407	243,532	933,995	9,109	1,261,043
Lease liabilities	50,241	49,949	123,230	158,164	381,584
Total undiscounted financial liabilities	652,562	324,048	1,064,696	169,119	2,210,425
Total net undiscounted financial assets/(liabilities)	207,133	(324,048)	(1,064,696)	(169,119)	(1,350,730)
31 March 2022					
Financial assets:					
Trade and other receivables	387,721	–	–	–	387,721
Amount due from associates/ joint ventures	2,323	–	–	–	2,323
Loan to associate	–	–	2,152	–	2,152
Cash and cash equivalents	786,041	–	–	–	786,041
Total undiscounted financial assets	1,176,085	–	2,152	–	1,178,237
Financial liabilities:					
Trade and other payables	437,159	29,528	4,397	8,846	479,930
Amount due to joint ventures	11,400	–	–	–	11,400
Notes and borrowings	118,833	10,755	316,682	96,919	543,189
Lease liabilities	49,934	46,589	123,897	163,572	383,992
Total undiscounted financial liabilities	617,326	86,872	444,976	269,337	1,418,511
Total net undiscounted financial assets/(liabilities)	558,759	(86,872)	(442,824)	(269,337)	(240,274)

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

(d) Liquidity Risk (cont'd)

COMPANY	Within 1 year	1–2 years	2–5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000	$'000
31 March 2023					
Financial assets:					
Trade and other receivables	2,075,866	–	–	–	2,075,866
Amount due from associates/ joint ventures	793	–	–	–	793
Loan to subsidiaries	80,304	3,531	9,098	338,074	431,007
Loan to associate	2,174	–	–	–	2,174
Cash and cash equivalents	181,431	–	–	–	181,431
Total undiscounted financial assets	2,340,568	3,531	9,098	338,074	2,691,271
Financial liabilities:					
Loan from subsidiaries	169,692	–	–	–	169,692
Notes and borrowings	36,931	236,931	958,724	–	1,232,586
Trade and other payables	170,926	3,402	–	–	174,328
Lease liability	6,611	6,165	6,168	97,689	116,633
Total undiscounted financial liabilities	384,160	246,498	964,892	97,689	1,693,239
Total net undiscounted financial assets/(liabilities)	1,956,408	(242,967)	(955,794)	240,385	998,032
31 March 2022					
Financial assets:					
Trade and other receivables	158,460	–	–	–	158,460
Amount due from associates/ joint ventures	1,492	–	–	–	1,492
Loan to subsidiaries	–	48,105	–	340,323	388,428
Loan to associate	–	–	2,152	–	2,152
Cash and cash equivalents	505,781	–	–	–	505,781
Total undiscounted financial assets	665,733	48,105	2,152	340,323	1,056,313
Financial liabilities:					
Loan from subsidiaries	168,052	–	–	–	168,052
Notes and borrowings	8,893	8,893	310,130	86,780	414,696
Trade and other payables	132,689	5,221	–	–	137,910
Total undiscounted financial liabilities	309,634	14,114	310,130	86,780	720,658
Total net undiscounted financial assets/(liabilities)	356,099	33,991	(307,978)	253,543	335,655

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

(e) 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	Amortised costs $'000	FVOCI $'000	FVTPL $'000	Other financial liabilities $'000	Total $'000
31 March 2023					
Assets					
Long-term investments	7,848	327	6,060	–	14,235
Trade and other receivables	481,045	–	–	–	481,045
Amount due from associates/ joint ventures	2,018	–	–	–	2,018
Cash and cash equivalents	374,458	–	–	–	374,458
	865,369	327	6,060	–	871,756
Total non-financial assets					3,801,987
Total assets					4,673,743
Liabilities					
Amount due to joint ventures	–	–	–	11,624	11,624
Notes and borrowings	–	–	–	1,146,499	1,146,499
Lease liabilities	–	–	–	331,884	331,884
Trade and other payables	–	–	–	554,608	554,608
	–	–	–	2,044,615	2,044,615
Total non-financial liabilities					114,346
Total liabilities					2,158,961
31 March 2022					
Assets					
Long-term investments	8,214	303	6,060	–	14,577
Trade and other receivables	387,721	–	–	–	387,721
Amount due from associates/ joint ventures	2,323	–	–	–	2,323
Cash and cash equivalents	786,041	–	–	–	786,041
	1,184,299	303	6,060	–	1,190,662
Total non-financial assets					2,101,625
Total assets					3,292,287
Liabilities					
Amount due to joint ventures	–	–	–	11,400	11,400
Notes and borrowings	–	–	–	510,812	510,812
Lease liabilities	–	–	–	327,032	327,032
Trade and other payables	–	–	–	477,018	477,018
	–	–	–	1,326,262	1,326,262
Total non-financial liabilities					132,318
Total liabilities					1,458,580

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

(e) Classification of Financial Instruments (cont'd)

COMPANY	Amortised costs $'000	FVTPL $'000	Other financial liabilities $'000	Total $'000
31 March 2023				
Assets				
Long-term investment	–	6,060	–	6,060
Trade and other receivables	2,075,866	–	–	2,075,866
Loan to subsidiaries	427,089	–	–	427,089
Loan to associate	2,114	–	–	2,114
Amount due from associates/joint ventures	793	–	–	793
Cash and cash equivalents	181,431	–	–	181,431
	2,687,293	6,060	–	2,693,353
Total non-financial assets				1,419,539
Total assets				4,112,892
Liabilities				
Loan from subsidiaries	–	–	163,000	163,000
Notes and borrowings	–	–	1,101,340	1,101,340
Trade and other payables	–	–	174,328	174,328
Lease liabilities	–	–	82,294	82,294
	–	–	1,520,962	1,520,962
Total non-financial liabilities				36,194
Total liabilities				1,557,156
31 March 2022				
Assets				
Long-term investment	–	6,060	–	6,060
Trade and other receivables	158,460	–	–	158,460
Loan to subsidiaries	388,428	–	–	388,428
Loan to associate	2,152	–	–	2,152
Amount due from associates/joint ventures	1,492	–	–	1,492
Cash and cash equivalents	505,781	–	–	505,781
	1,056,313	6,060	–	1,062,373
Total non-financial assets				1,411,982
Total assets				2,474,355
Liabilities				
Loan from subsidiaries	–	–	167,800	167,800
Notes and borrowings	–	–	386,646	386,646
Trade and other payables	–	–	137,910	137,910
Lease liabilities	–	–	60,856	60,856
	–	–	753,212	753,212
Total non-financial liabilities				38,151
Total liabilities				791,363

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

(f) 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.

32. LEASES

Leases as lessee

The Group leases offices, warehouse and factory facilities. The leases typically run for a period of 11 months to 51 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	
	2022-23	2021-22
	$'000	$'000
Amounts recognised in profit or loss		
Interest on lease liabilities	7,226	5,052
Expenses relating to short-term leases	11,454	8,325
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	3,313	3,319
Amounts recognised in statement of cash flows		
Cash outflow for leases	60,101	25,986

32. LEASES (cont'd)

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.

33. 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 including the anticipated changes in Group's capital structure in view of the acquisition of World Flight Services in April 2023. The Directors will continue to regularly review the Group's capital structure in line with this objective. For the financial years ended 31 March 2023 and 31 March 2022, 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 31 Mar		COMPANY 31 Mar	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Notes and borrowings	1,146,499	510,812	1,101,340	386,646
Lease liabilities	331,884	327,032	82,294	60,856
Total debt	1,478,383	837,844	1,183,634	447,502
Total equity	2,514,782	1,833,707	2,555,736	1,682,992
Total debt-equity ratio	0.59	0.46	0.46	0.26

34. SEGMENT REPORTING

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

1. The Food Solutions segment provides mainly inflight and institutional catering, food processing, distribution services and airline laundry services.

2. The Gateway Services segment provides both airport and cruise terminal services. The airport terminal services include airfreight handling services, passenger services, aviation security services, baggage handling services and apron services to the Group's airline customers. On the provision of cruise terminal services, the segment manages and operates Marine Bay Cruise Centre.

3. The Others segment provides rental of premises and other services.

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 accounting policies are the same as the policies described in Note 2. 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.

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.

34. SEGMENT REPORTING (cont'd)

BY BUSINESS

	Food Solutions $'000	Gateway Services $'000	Others $'000	Total $'000
Financial year ended 31 March 2023				
Revenue	869,253	888,548	528	1,758,329
Operating loss	(33,799)	(2,035)	(12,199)	(48,033)
Net finance expense	(1,031)	(5,479)	(2,234)	(8,744)
Gain from disposal of property, plant and equipment	13,042	(26)	(4)	13,012
Gain from disposal of an associate	1,901	–	–	1,901
Share of results of associates/joint ventures, net of tax	6,605	38,833	–	45,438
Impairment loss for an associate	-	(159)	(1,558)	(1,717)
Other non-operating income/(expenses)	315	(1,688)	(44,254)	(45,627)
(Loss)/profit before tax	(12,967)	29,446	(60,249)	(43,770)
Income tax credit	1,079	1,732	2,366	5,177
(Loss)/profit for the year	(11,888)	31,178	(57,883)	(38,593)
As at 31 March 2023				
Segment assets	429,204	339,273	1,977,998	2,746,475
Property, plant and equipment, right-of-use assets	337,879	431,233	131,077	900,189
Associates/joint ventures	152,369	291,968	–	444,337
Deferred tax assets	40,824	14,481	329	55,634
Intangible assets	198,982	299,900	28,226	527,108
Total assets	1,159,258	1,376,855	2,137,630	4,673,743
Current liabilities	264,456	260,590	63,110	588,156
Non-current liabilities	134,530	144,300	1,185,395	1,464,225
Tax liabilities	18,096	53,562	34,922	106,580
Total liabilities	417,082	458,452	1,283,427	2,158,961
Capital expenditure	67,377	45,881	10,954	124,212
Depreciation and amortisation charges	39,854	117,059	18,878	175,791

34. SEGMENT REPORTING (cont'd)

BY BUSINESS (cont'd)

	Food Solutions $'000	Gateway Services $'000	Others $'000	Total $'000
Financial year ended 31 March 2022				
Revenue	640,930	532,457	3,379	1,176,766
Operating (loss)/profit	(44,057)	6,669	(5,239)	(42,627)
Net finance expense	(3,795)	(3,688)	(6,297)	(13,780)
Share of results of associates/joint ventures, net of tax	(15,442)	32,596	–	17,154
Impairment loss on property, plant and equipment, net of grants	(16,627)	–	–	(16,627)
Gain on deemed disposal of associate	–	28,862	–	28,862
Other non-operating income/(expenses)	258	(1,031)	690	(83)
(Loss)/profit before tax	(79,663)	63,408	(10,846)	(27,101)
Income tax credit	17,880	7,459	6,093	31,432
(Loss)/profit for the year	(61,783)	70,867	(4,753)	4,331
As at 31 March 2022				
Segment assets	478,956	426,061	420,189	1,325,206
Property, plant and equipment, right-of-use assets and investment properties	308,810	480,684	112,984	902,478
Associates/joint ventures	158,297	295,720	–	454,017
Deferred tax assets	43,016	14,119	272	57,407
Intangible assets	208,351	319,857	24,971	553,179
Total assets	1,197,430	1,536,441	558,416	3,292,287
Current liabilities	301,895	256,009	54,500	612,404
Non-current liabilities	115,073	166,544	455,940	737,557
Tax liabilities	18,916	53,004	36,699	108,619
Total liabilities	435,884	475,557	547,139	1,458,580
Capital expenditure	31,131	37,098	11,030	79,259
Depreciation and amortisation charges	43,475	55,953	20,239	119,667

34. 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 $'000	Japan $'000	Others $'000	Total $'000
Financial year ended 31 March 2023				
Revenue	1,408,758	87,979	261,592	1,758,329
As at 31 March 2023				
Segment assets	2,658,552	35,047	52,876	2,746,475
Property, plant and equipment, right-of-use assets	379,544	106,293	414,352	900,189
Associates/joint ventures	24,213	1,711	418,413	444,337
Deferred tax assets	9,303	30,042	16,289	55,634
Intangible assets	183,246	16,513	327,349	527,108
Total assets	3,254,858	189,606	1,229,279	4,673,743
Capital expenditure	42,038	958	81,216	124,212
Financial year ended 31 March 2022				
Revenue	1,005,584	77,521	93,661	1,176,766
As at 31 March 2022				
Segment assets	1,047,716	33,806	243,684	1,325,206
Property, plant and equipment, right-of-use assets and investment property	392,493	124,749	385,236	902,478
Associates/joint ventures	28,104	1,506	424,407	454,017
Deferred tax assets	15,362	29,929	12,116	57,407
Intangible assets	174,383	18,867	359,929	553,179
Total assets	1,658,058	208,857	1,425,372	3,292,287
Capital expenditure	41,014	1,628	36,617	79,259

Information about major customers

Revenue from two major customers amounted to $836.4million (2022: $469.2 million), arising from sales by all segments.

35. SUBSEQUENT EVENT

Acquisition of Worldwide Flight Services

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

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

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

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

Loan Facilities for Early Redemption of Senior Secured Notes

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

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Independent Auditors' Report on Review of Interim Financial Information

The Board of Directors
SATS Ltd.
20 Airport Boulevard
SATS Inflight Catering Centre 1
Singapore 819659

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of SATS Ltd. ("the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated statement of financial position for the Group as at 30 September 2023;
- the condensed statement of financial position for the Company as at 30 September 2023;
- the condensed interim consolidated income statement for the six-month period ended 30 September 2023;
- the condensed consolidated statement of comprehensive income for the six month period ended 30 September 2023;
- the condensed consolidated statement of cash flows for the six-month period ended 30 September 2023;
- the condensed consolidated statement of changes in equity for the Group for the six-month period ended 30 September 2023;
- the condensed statement of changes in equity for the Company for the six-month period ended 30 September 2023; and
- notes to the condensed consolidated interim financial information

("the Interim Financial Information").

Management is responsible for the preparation and presentation of this Interim Financial Information in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with SFRS(I) 1-34 *Interim Financial Reporting.*

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of inclusion in the Offering Circular on the US$3,000,000,000 Medium Term Note Programme and for no other purpose. As a result, the Interim Financial Information may not be suitable for another purpose. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
17 November 2023

UNAUDITED RESULTS FOR HALF YEAR ENDED 30 SEPTEMBER 2023

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

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT
For the half year ended 30 September 2023 (in $ million)

	Notes	GROUP	
		1st Half	
		2023-24	2022-23
Revenue	3	2,480.6	804.5
Expenditure			
Staff costs		(1,442.9)	(426.7)
Cost of raw materials		(178.6)	(157.7)
Licence fees		(44.9)	(18.2)
Depreciation and amortisation charges		(276.9)	(84.0)
Company premise and utilities expenses		(120.3)	(54.2)
Other costs		(341.3)	(106.0)
		(2,404.9)	(846.8)
Operating profit/(loss)		75.7	(42.3)
Interest on borrowings		(120.0)	(10.7)
Interest income		6.0	3.1
Share of results of associates/joint ventures, net of tax		44.4	17.6
Other non-operating gain/(loss), net		2.3	(15.9)
Profit/(loss) before tax	2	8.4	(48.2)
Income tax (expense)/credit	4	(17.4)	7.6
Loss for the period		(9.0)	(40.6)
Loss attributable to:			
Owners of the Company		(7.8)	(32.5)
Non-controlling interests		(1.2)	(8.1)
		(9.0)	(40.6)
Loss per share (cents)			
Basic	5	(0.5)	(2.4)
Diluted	5	(0.5)	(2.4)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 September 2023 (in $ million)

	GROUP	
	1st Half	
	2023-24	**2022-23**
Loss for the period	(9.0)	(40.6)
Other comprehensive income		
<u>Items that will not be reclassified to profit or loss</u>:		
Actuarial (loss)/ gain on defined benefit plan	(0.4)	0.1
<u>Items that are or may be reclassified subsequently to profit or loss</u>:		
Net fair value changes on financial assets	–	(0.3)
Foreign currency translation differences	(6.4)	(1.2)
Other comprehensive income for the period, net of tax	(6.8)	(1.4)
Total comprehensive income for the period	(15.8)	(42.0)
Total comprehensive income attributable to:		
Owners of the Company	(13.4)	(35.2)
Non-controlling interests	(2.4)	(6.8)
Total comprehensive income for the period	(15.8)	(42.0)

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

CONDENSED STATEMENTS OF FINANCIAL POSITION
As at 30 September 2023 (in $ million)

	Notes	GROUP		COMPANY	
		30.9.2023	**31.3.2023**	**30.9.2023**	**31.3.2023**
Equity attributable to owners of the Company					
Share capital	12	1,162.0	1,153.5	1,162.0	1,153.5
Treasury shares	12	(0.4)	(0.9)	(0.4)	(0.9)
Share-based compensation reserve	12	2.9	5.2	2.9	5.2
Foreign currency translation reserve		(166.2)	(168.5)	–	–
Revenue reserve		1,333.8	1,342.6	1,445.1	1,424.2
Other reserves*		(4.0)	1.7	(20.1)	(26.3)
		2,328.1	2,333.6	2,589.5	2,555.7
Non-controlling interests		191.7	181.2	–	–
Total equity		2,519.8	2,514.8	2,589.5	2,555.7
Non-current assets					
Property, plant and equipment	8	789.7	579.2	12.6	13.0
Right-of-use assets		1,360.4	321.0	77.4	79.6
Investment properties		–	–	121.1	131.6
Intangible assets		3,510.7	527.1	26.7	28.2
Investment in subsidiaries		–	–	2,211.0	934.5
Investment in associates		394.2	377.9	213.9	213.9
Investment in joint ventures		415.2	66.4	24.6	12.0
Long-term investment		14.5	14.3	6.1	6.1
Loan to subsidiaries		–	–	942.0	350.0
Loan to associates/joint ventures		1.3	–	0.8	–
Deferred tax assets		94.7	55.6	–	–
Other non-current assets		54.9	9.4	–	–
		6,635.6	1,950.9	3,636.2	1,768.9
Current assets					
Trade and other receivables		1,144.7	481.0	240.1	2,075.8
Prepayments and deposits		80.8	20.6	6.3	5.8
Amounts due from associates/joint ventures		6.6	2.0	1.8	0.9
Loan to associates		2.2	2.1	2.2	2.1
Loan to subsidiaries		–	–	106.0	77.1
Inventories		71.7	68.7	0.5	0.8
Cash and cash equivalents		515.9	374.4	131.5	181.4
Deposits with notary		–	1,774.0	–	–
		1,821.9	2,722.8	488.4	2,343.9
Current liabilities					
Trade and other payables		1,281.2	522.4	69.5	171.1
Amounts due to associates/joint ventures		11.5	11.6	0.3	–
Income tax payable		50.8	18.3	9.9	9.0
Notes and borrowings	11	130.5	13.0	97.9	163.0
Loan from subsidiaries		–	–	152.1	–
Lease liabilities	11	261.7	41.1	3.1	3.6
		1,735.7	606.4	332.8	346.7
Net current assets		86.2	2,116.4	155.6	1,997.2
Non-current liabilities					
Deferred tax liabilities		251.3	88.3	25.2	25.9
Notes and borrowings	11	2,648.3	1,133.5	1,093.4	1,101.3
Lease liabilities	11	1,132.8	290.8	78.8	78.6
Other non-current payables		169.6	39.9	4.9	4.6
		4,202.0	1,552.5	1,202.3	1,210.4
Net assets		2,519.8	2,514.8	2,589.5	2,555.7

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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 September 2023 (in $ million)

	Notes	GROUP 1st Half 2023-24	GROUP 1st Half 2022-23
Cash flows from operating activities			
Profit/(Loss) before tax		8.4	(48.2)
Adjustments for:			
Interest expense, net		114.0	7.6
Depreciation and amortisation charges		276.9	84.0
Unrealised foreign exchange gain		(30.3)	(0.1)
Share of results of associates/joint ventures, net of tax		(44.4)	(17.6)
Loss/(gain) on disposal of property, plant and equipment		1.3	(0.7)
Share-based payment expense		7.6	6.1
Gain from sale of an associate		–	(1.9)
Write back for doubtful debts		(2.0)	–
Other non-cash items		(2.5)	0.4
Operating cash flows before working capital changes		329.0	29.6
Changes in working capital:			
Increase in receivables		(183.6)	(86.4)
Increase in prepayments and deposits		(17.0)	(5.3)
Decrease in inventories		2.4	0.4
Increase in payables		12.6	47.2
(Increase)/decrease in amounts due from associates/joint ventures, net		9.1	(2.4)
Cash generated from operations		152.5	(16.9)
Interest paid to third parties		(61.2)	(10.7)
Income taxes (paid)/refund		(15.8)	0.9
Net cash from/(used in) operating activities		75.5	(26.7)
Cash flows from investing activities			
Capital expenditure		(96.2)	(60.7)
Dividends from associates/joint ventures		20.4	13.9
Proceeds from disposal of property, plant and equipment		1.3	2.6
Proceeds from disposal of interest in associate		–	3.1
Investment in subsidiaries, net of cash acquired	10	139.1	–
Investment in joint venture		(12.7)	(0.1)
Interest received from deposits		5.7	3.0
Net cash from/(used in) investing activities		57.6	(38.2)
Cash flows from financing activities			
Repayments of borrowings		(91.0)	–
Repayments of lease liabilities		(190.7)	(31.7)
Proceeds from borrowings		1,659.1	16.1
Redemption of bond		(1,357.8)	–
Capital contribution from non-controlling interest		0.5	–
Dividends paid to non-controlling interest		(4.0)	(18.6)
Net cash from/(used in) financing activities		16.1	(34.2)
Net increase/(decrease) in cash and cash equivalents		149.2	(99.1)
Effect of exchange rate changes		(7.7)	2.4
Cash and cash equivalents at beginning of financial period		374.4	786.0
Cash and cash equivalents at end of financial period		515.9	689.3

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

CONDENSED STATEMENTS OF CHANGES IN EQUITY
For the half year ended 30 September 2023 (in $ million)

	Attributable to owners of the Company											
GROUP	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Statutory Reserve*	Foreign Currency Translation Reserve	Revenue Reserve	Capital Reserve	Loss on Reissuance of Treasury Shares	Fair Value Reserve	Total	Non-controlling Interests	Total Equity
Balance at 1 April 2023	1,153.5	(0.9)	5.2	14.0	(168.5)	1,342.6	1.2	(26.3)	12.8	2,333.6	181.2	2,514.8
Loss for the period	–	–	–	–	–	(7.8)	–	–	–	(7.8)	(1.2)	(9.0)
Other comprehensive income for the period	–	–	–	–	2.3	(0.4)	(0.1)	–	(7.4)	(5.6)	(1.2)	(6.8)
Total comprehensive income for the period	–	–	–	–	2.3	(8.2)	(0.1)	–	(7.4)	(13.4)	(2.4)	(15.8)
Contributions by and distributions to owners												
Share-based payment	–	–	7.6	–	–	–	–	–	–	7.6	–	7.6
Treasury shares transferred on payment of Directors' remuneration	–	0.5	–	–	–	–	–	(0.2)	–	0.3	–	0.3
New shares issued pursuant to equity compensation plans	8.5	–	(9.9)	–	–	–	–	1.4	–	–	–	–
Total contributions by and distributions to owners	8.5	0.5	(2.3)	–	–	–	–	1.2	–	7.9	–	7.9
Others												
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(4.0)	(4.0)
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	0.5	0.5
Acquisition of shares in subsidiary	–	–	–	–	–	–	–	–	–	–	16.4	16.4
Transfer to statutory reserve	–	–	–	0.6	–	(0.6)	–	–	–	–	–	–
Balance at 30 September 2023	1,162.0	(0.4)	2.9	14.6	(166.2)	1,333.8	1.1	(25.1)	5.4	2,328.1	191.7	2,519.8

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

CONDENSED STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the half year ended 30 September 2023 (in $ million)

GROUP	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Statutory Reserve*	Foreign Currency Translation Reserve	Revenue Reserve	Capital Reserve	Loss on Reissuance of Treasury Shares	Fair Value Reserve	Total	Non-controlling Interests	Total Equity
	Attributable to owners of the Company											
Balance at 1 April 2022	367.9	(8.5)	4.9	13.5	(119.5)	1,368.8	1.1	(26.4)	0.8	1,602.6	231.1	1,833.7
Loss for the period	–	–	–	–	–	(32.5)	–	–	–	(32.5)	(8.1)	(40.6)
Other comprehensive income for the period	–	–	–	–	(2.5)	0.1	–	–	(0.3)	(2.7)	1.3	(1.4)
Total comprehensive income for the period	–	–	–	–	(2.5)	(32.4)	–	–	(0.3)	(35.2)	(6.8)	(42.0)
Contributions by and distributions to owners												
Share-based payment	–	–	6.1	–	–	–	–	–	–	6.1	–	6.1
Treasury shares reissued pursuant to equity compensation plans	–	7.6	(7.3)	–	–	–	–	0.1	–	0.4	–	0.4
New shares issued pursuant to equity compensation plans	1.3	–	(1.3)	–	–	–	–	–	–	–	–	–
Total contributions by and distributions to owners	1.3	7.6	(2.5)	–	–	–	–	–	–	6.5	–	6.5
Others												
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(18.6)	(18.6)
Transfer to statutory reserve	–	–	–	0.4	–	(0.4)	–	–	–	–	–	–
Balance at 30 September 2022	369.2	(0.9)	2.4	13.9	(122.0)	1,336.0	1.1	(26.3)	0.5	1,573.9	205.7	1,779.6

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

CONDENSED STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the half year ended 30 September 2022 (in $ million)

COMPANY	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Revenue Reserve	Loss on Reissuance of Treasury Shares	Fair Value Reserve	Total Equity
Balance at 1 April 2023	1,153.5	(0.9)	5.2	1,424.2	(26.3)	–	2,555.7
Profit for the period	–	–	–	20.9	–	–	20.9
Other comprehensive income for the period	–	–	–	–	–	5.0	5.0
Total comprehensive income for the period	–	–	–	20.9	–	5.0	25.9
Contributions by and distributions to owners							
Share-based payment	–	–	7.6	–	–	–	7.6
Treasury shares transferred on payment of Directors' remuneration	–	0.5	–	–	(0.2)	–	0.3
New shares issued pursuant to equity compensation plans	8.5	–	(9.9)	–	1.4	–	–
Total contributions by and distributions to owners	8.5	0.5	(2.3)	–	1.2	–	7.9
Balance at 30 September 2023	1,162.0	(0.4)	2.9	1,445.1	(25.1)	5.0	2,589.5
Balance at 1 April 2022	367.9	(8.5)	4.9	1,345.1	(26.4)	–	1,683.0
Profit for the period	–	–	–	32.0	–	–	32.0
Total comprehensive income for the period	–	–	–	32.0	–	–	32.0
Contributions by and distributions to owners							
Share-based payment	–	–	6.1	–	–	–	6.1
Treasury shares reissued pursuant to equity compensation plans	–	7.6	(7.3)	–	0.1	–	0.4
New shares issued pursuant to equity compensation plans	1.3	–	(1.3)	–	–	–	–
Total contributions by and distributions to owners	1.3	7.6	(2.5)	–	0.1	–	6.5
Balance at 30 September 2022	369.2	(0.9)	2.4	1,377.1	(26.3)	–	1,721.5

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 30 September 2023 (in $ million)

1. Significant Accounting Polices

1.1 Corporate Information

SATS Ltd. (the “Company” or “SATS”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). These consolidated financial statements as at and for the six months ended 30 September 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

The registered office and principal place of business of the Company is located at 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659.

The Company is principally an investment holding company. Its other activities include rental of premises and provision of management services to related companies.

1.2 Basis of Preparation

The condensed interim financial statements for the half year ended 30 September 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) 1-34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2023.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2023 except for the adoption of Singapore Financial Reporting Standards (International) (“SFRS(I)”) that are mandatory for financial year beginning on or after 1 April 2023. The adoption of these SFRS(I) has no significant impact on the financial statements.

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

1.3 Use of judgements and estimates

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.4 Seasonal Operation

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

2. Loss before tax (in $ million)

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

	Group 1st Half 2023-24	2022-23
Foreign exchange gain, net	10.3	2.4
Write-back of doubtful debts	2.0	–
Write-back/(Write-off) for stock obsolescence, net	0.5	(0.4)
(Loss)/gain on disposal of property, plant and equipment	(0.8)	0.7
Over provision of taxation in respect of prior years	2.2	2.0
Government grants	2.3	22.8

3. Segment Reporting

For management purposes, the Group's operating businesses are organised and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services. The business of Worldwide Flight Services ("WFS"), a subsidiary acquired in April 2023, falls within the Gateway Services segment with no change to SATS' existing business segments.

The Group has three reportable operating segments as follows:

- The Food Solutions segment provides mainly inflight and institutional catering, food processing, distribution services and airline laundry services.

- The Gateway Services segment provides 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.

- The Others segment provides rental of premises and other services.

BY BUSINESS (in $ million)

	Food Solutions	Gateway Services	Others	Total
Half year ended 30 September 2023				
Revenue (external)	516.1	1,964.2	0.3	2,480.6
Operating (loss)/profit	(0.9)	91.3	(14.7)	75.7
Net finance expense	(0.7)	(111.6)	(1.7)	(114.0)
Share of results of associates/joint ventures, net of tax	13.6	30.8	–	44.4
Other non-operating income/(expense)	0.2	(0.6)	2.7	2.3
Profit/(Loss) before tax	12.2	9.9	(13.7)	8.4
Income tax (expense)/credit	(7.9)	(10.9)	1.4	(17.4)
Profit/(Loss) for the period	4.3	(1.0)	(12.3)	(9.0)

3. Segment Reporting (cont'd)

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

	Food Solutions	Gateway Services	Others	Total
As at 30 September 2023				
Segment assets	440.6	1,274.8	177.2	1,892.6
Property, plant & equipment and right-of-use assets	361.4	1,674.8	113.9	2,150.1
Associates/joint ventures	165.2	644.2	–	809.4
Deferred tax assets	39.2	55.5	–	94.7
Intangible assets	195.3	3,301.1	14.3	3,510.7
Total assets	1,201.7	6,950.4	305.4	8,457.5
Current liabilities	264.3	1,307.9	112.7	1,684.9
Long-term liabilities	136.7	2,636.2	1,177.8	3,950.7
Tax liabilities	24.0	243.2	34.9	302.1
Total liabilities	425.0	4,187.3	1,325.4	5,937.7
Capital expenditure	34.3	94.8	3.3	132.4
Depreciation and amortisation charges	25.7	236.4	14.8	276.9
Half year ended 30 September 2022				
Revenue (external)	402.6	401.9	–	804.5
Operating (loss)/profit	(24.5)	(20.6)	2.8	(42.3)
Net finance expense	(2.1)	(3.2)	(2.3)	(7.6)
Share of results of associates/joint ventures, net of tax	(1.6)	19.1	0.1	17.6
Other non-operating income/(expense)	2.9	(0.7)	(18.1)	(15.9)
Loss before tax	(25.3)	(5.4)	(17.5)	(48.2)
Income tax credit/(expense)	4.4	4.1	(0.9)	7.6
Loss for the period	(20.9)	(1.3)	(18.4)	(40.6)
As at 31 March 2023				
Segment assets	429.2	339.3	1,978.0	2,746.5
Property, plant & equipment and right-of-use assets	337.9	431.2	131.1	900.2
Associates/joint ventures	152.4	291.9	–	444.3
Deferred tax assets	40.8	14.5	0.3	55.6
Intangible assets	199.0	299.9	28.2	527.1
Total assets	1,159.3	1,376.8	2,137.6	4,673.7
Current liabilities	264.4	260.6	63.1	588.1
Long-term liabilities	134.5	144.3	1,185.4	1,464.2
Tax liabilities	18.1	53.6	34.9	106.6
Total liabilities	417.0	458.5	1,283.4	2,158.9
Capital expenditure	67.4	45.9	10.9	124.2
Depreciation and amortisation charges	39.9	117.0	18.9	175.8

3. Segment Reporting (cont'd)

BY GEOGRAPHICAL LOCATION (in $ million)

In the last annual financial statements, SATS classified its geographic presence by segmenting it into Singapore, Japan, and others. Following the acquisition of Worldwide Flight Services ("WFS"), SATS expanded its global network to over 200 locations in more than 20 countries. As a result, SATS has redefined its geographical segments into Singapore, Asia (excluding Singapore), EMEA (Europe, Middle East and Africa), Americas (North America and South America),) and others to reflect this expanded global presence.

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	Asia*	EMEA	Americas	Others	Total
Half year ended 30 September 2023						
Revenue	822.4	223.9	503.3	920.8	10.2	2,480.6
As at 30 September 2023						
Segment assets	821.2	235.1	1,273.4	(437.1)	–	1,892.6
Property, plant & equipment and right-of-use assets	369.9	554.7	623.8	601.7	–	2,150.1
Associates/joint ventures	24.2	453.2	332.0	–	–	809.4
Deferred tax assets	7.9	44.5	38.1	4.2	–	94.7
Intangible assets	169.1	367.1	1,240.8	1,733.7	–	3,510.7
Total assets	1,392.3	1,654.6	3,508.1	1,902.5	–	8,457.5
Capital expenditure	24.5	74.6	12.2	21.1	–	132.4
Half year ended 30 September 2022						
Revenue	642.7	137.9	15.0	–	8.9	804.5
As at 31 March 2023						
Segment assets	2,658.5	(36.8)	108.5	–	16.3	2,746.5
Property, plant & equipment, right-of-use assets	379.5	444.0	76.6	–	0.1	900.2
Associates/joint ventures	24.2	420.1	–	–	–	444.3
Deferred tax assets	9.3	44.8	1.4	–	0.1	55.6
Intangible assets	183.3	330.5	13.3	–	–	527.1
Total assets	3,254.8	1,202.6	199.8	–	16.5	4,673.7
Capital expenditure	42.0	58.3	23.9	–	–	124.2

* Asia (excluding Singapore)

4. Income tax (expense)/credit (in $ million)

	Group	
	1st Half	
	2023-24	2022-23
Current income tax:		
Current year tax expense	(35.5)	(3.1)
Over provision in respect of prior year tax expense	2.2	2.0
	(33.3)	(1.1)
Deferred income tax:		
Current year tax credit	15.9	8.7
	(17.4)	7.6

5. Loss per share

	Group	
	1st Half	
	2023-24 $ million	2022-23 $ million
Loss attributable to owners of the Company	(7.8)	(32.5)

(in thousand)	30.09.2023	30.09.2022
Weighted average number of ordinary shares in issue used for computing basic earnings per share	1,487,296	1,336,224
Adjustment for share based compensation	3,319	4,574
Weighted average number of ordinary shares in issue used for computing diluted earnings per share	1,490,615	1,340,798

	2023-24	2022-23
Loss per share (cents)		
Basic	(0.5)	(2.4)
Diluted	(0.5)	(2.4)

With the issuance of 363.1 million rights shares in March 2023, the comparative figures for the half year ended 30 September 2022 are restated per SFRS(I) 1-33 *Earnings Per Share* through retrospective application of a bonus factor to the average weighted number of shares. The bonus factor is derived from the division of fair value per share immediately before exercise of rights by the theoretical ex-rights fair value.

6. Net asset value per share

	Group		Company	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
Net asset value per ordinary share (cents)	156.2	156.9	173.7	171.8

7. Related party transaction

For the 6 months ended 30 September 2023, the Group has made $415.1 million (2022: $315.7 million) of sales and $23.9 million (2022: $17.0 million) of purchases with related parties of the Group.

8. Property, plant and equipment

During the 6 months ended 30 September 2023, the Group acquired assets amounting to $94.7 million (30 September 2022: $50.9 million) and disposed of assets amounting to $2.6 million (30 September 2022: $1.9 million).

9. Capital and other commitments

The Group has commitments for capital expenditure amounting to $145.7 million in aggregate (as at March 2023: $249.8 million). These commitments are not at prices in excess of current market prices.

10. 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. The approval of SATS's shareholders for the acquisition was obtained in January 2023, followed by the satisfaction of regulatory conditions in accordance with the SPA in February 2023.

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

The acquisition was completed on 3 April 2023 with SATS obtaining control over WFS group. The acquisition is part of the Company's strategy to expand its cargo handling network and accelerate innovation to drive sustainable business growth.

The total purchase consideration for the acquisition of $1,783 million was paid in cash, including an additional consideration of $9 million that was transferred directly from SATS to the seller in April 2023. Management is currently assessing the goodwill, fair value of identifiable assets acquired and liabilities assumed at the acquisition date with an independent valuation.

In the half year ended 30 September 2023, WFS contributed revenue of $1.4 billion and operating profit of $73.0 million (including amortization of intangible assets arising from PPA) to the Group's results. Management assessed that the consolidated revenue and profit of the Group would not be materially different if the acquisition had occurred on 1 April 2023.

Fair value of identifiable assets acquired and liabilities assumed measured on a provisional basis

The fair value of material assets acquired and liabilities assumed has been determined provisionally. If new information obtained within one year from the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the amounts below or any additional provisions existed at the date of acquisitions, then the accounting for the acquisition will be revised.

10. Acquisition of 100% of the shares in WFS Global Holdings SAS ("WFS") (cont'd)

The provisional fair value of assets acquired and liabilities assumed at the date of acquisition were:

	$ million
Property, plant and equipment	188.1
Right-of-use assets	886.8
Intangible assets	980.1
Investment in joint ventures	332.8
Other non-current assets	68.7
Trade and other receivables	474.4
Other current assets	62.7
Cash and bank balances	148.1
	3,141.7
Other long-term liabilities	(933.5)
Notes and borrowings	(1,548.9)
Trade and other payables	(582.1)
Other current liabilities	(301.3)
	(3,365.8)
Minority Interest	(18.4)
Net identifiable liabilities at fair value	(242.5)
Consideration transferred	1,783.0
Less: Net identifiable liabilities at fair value	242,5
	2,025.5
Less: effect of hedge accounting for projected acquisition	(12.4)
Provisional goodwill arising from acquisition	2,013.1

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.

Other liabilities balance included contingent liabilities that arose from claims and loss-making contracts.

Provisional goodwill arising from acquisition of WFS

The provisional goodwill amounting to $2,013.1 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.

Measurement of fair value on provisional basis

The following fair value have been determined on provisional basis, pending completion of an independent valuation:

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.

10. Acquisition of 100% of the shares in WFS Global Holdings SAS ("WFS") (cont'd)

Assets acquired	Valuation technique
Trademark	Relief-from-royalty method This method considers the discounted estimated royalty payments that are expected to be avoided as result of the patents or trademarks being owned.
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.

Acquisition-related cost

The Group incurred acquisition-related costs of $45.0 million on legal, advisory and due diligence costs. These costs were expensed off in the financial year ended 31 March 2023 as incurred.

11. Aggregate amount of Group's borrowings and debt securities ($ million)

	30.09.2023		31.03.2023	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	280.3	111.9	53.8	0.3
Amount repayable after one year	1,163.5	2,617.6	290.8	1,133.5

Details of any collateral

Included in secured borrowings are current lease liabilities of $261.7 million and non-current lease liabilities of $1,132.8 million, which are secured over the right-of-use assets of $1,360.4 million as well as property, plant and equipment and other assets belonging to a subsidiary in the Group.

12. Share Capital and Treasury Shares

	Number of ordinary shares	
(in thousand)	Issued Shares Capital	Treasury Shares
As at 1 April 2023	1,487,494	198
Treasury shares transferred on payment of Directors' remuneration	–	(98)
Issuance of new shares	3,237	–
As at 30 September 2023	1,490,731	100

As at 30 September 2023, the Company has an issued share capital of 1,490,731,171 ordinary shares (31 March 2023: 1,487,493,961 ordinary shares) of which 99,905 (31 March 2023: 198,305) were held by the Company as treasury shares.

Issuance of New Shares

During the 6 months ended 30 September 2023, 3,237,210 (30 September 2022: 326,200) new shares were issued for the Restricted Share Plan and Performance Share Plan.

12. Share Capital and Treasury Shares (cont'd)

Treasury Shares

During the 6 months ended 30 September 2023, 98,400 (30 September 2022: 1,770,100) treasury shares were reissued pursuant to the equity compensation plans of which NIL (30 September 2022: 1,506,600) for Restricted Share Plan, NIL (30 September 2022: 176,500) for Performance Share Plan and 98,400 (30 September 2022: 87,000) for payment of Directors' remuneration.

Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

Management employees may qualify for two share-based incentive plans, the RSP and PSP, which were approved by the shareholders of the Company on 19 July 2005. Both share plans which expired on July 2015 were subsequently approved during the 41st Annual General Meeting held on 23 July 2014 for further extension of 10 years to July 2025.

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

As at 30 September 2023, the number of shares outstanding under the Company's RSP and PSP were 4,172,273 and 545,985 (30 September 2022: 2,255,000 and 1,256,300) respectively.

RSP - Number of Restricted Shares

Date of grant	Balance at 1.4.2023 / Date of grant	Vested	Forfeited	Adjustments #	Balance at 30.9.2023
25.06.2021	477,200	(495,778)	(8,300)	26,878	–
24.06.2022	1,588,500	(834,032)	(37,595)	89,200	806,073
03.07.2023	5,074,600	(1,696,700)	(11,700)	–	3,366,200
	7,140,300	(3,026,510)	(57,595)	116,078	4,172,273

PSP - Number of Performance Shares

Date of grant	Balance at 1.4.2023 / Date of grant	Vested	Forfeited	Adjustments #	Balance at 30.9.2023
20.08.2020	462,500	(210,700)	–	(251,800)	–
02.08.2021	345,000	–	(63,450)	19,836	301,386
24.06.2022	246,300	–	(15,862)	14,161	244,599
	1,053,800	(210,700)	(79,312)	(217,803)	545,985

Adjustments due to the performance factor at the end of the performance period upon meeting stated performance targets.

13. Fair value management

13.1 Classification of financial instruments and fair value

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

GROUP	Amortised costs $ million	FVOCI $ million	FVTPL $ million	Other financial liabilities $ million	Total $ million
30 September 2023					
Assets					
Long-term investments	7.9	0.5	6.1	–	14.5
Trade and other receivables	1,144.7	–	–	–	1,144.7
Loan to/Amount due from associates/ joint ventures	7.9	–	–	–	7.9
Cash and cash equivalents	515.9	–	–	–	515.9
	1,676.4	0.5	6.1	–	1,683.0
Total non-financial assets					6,774.5
Total assets					8,457.5
Liabilities					
Amount due to associates/ joint ventures	–	–	–	11.5	11.5
Notes and borrowings	–	–	–	2,778.8	2,778.8
Lease liabilities	–	–	–	1,394.5	1,394.5
Trade and other payables	–	–	–	1,435.2	1,435.2
Deferred consideration	–	–	15.6	–	15.6
	–	–	15.6	5,620.0	5,635.6
Total non-financial liabilities					302.1
Total liabilities					5,937.7
31 March 2023					
Assets					
Long-term investments	7.9	0.3	6.1	–	14.3
Trade and other receivables	481.0	–	–	–	481.0
Amount due from associates/ joint ventures	2.0	–	–	–	2.0
Cash and cash equivalents	374.4	–	–	–	374.4
	865.3	0.3	6.1	–	871.7
Non-financial assets					3,802.0
Total assets					4,673.7
Liabilities					
Amount due to associates/ joint ventures	–	–	–	11.6	11.6
Notes and borrowings	–	–	–	1,146.5	1,146.5
Lease liabilities	–	–	–	331.9	331.9
Trade and other payables	–	–	–	554.5	554.5
	–	–	–	2,044.5	2,044.5
Non-financial liabilities					114.4
Total liabilities					2,158.9

13. Fair value management (cont'd)

13.2 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 deferred consideration classified as other payables are categories 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, term loans and finance leases. The carrying amount of the secured loan receivables approximate the fair value of the quoted price of the pledged shares.

14. Subsequent events

There are no known material subsequent events which have resulted in adjustments to this set of interim financial statements

Independent auditor's report on the audit of the special purpose consolidated financial statements

(Year-end December 31, 2021)

Promontoria Holding 264 B.V.
Oude Utrechtseweg 32,
Baarn, 3743, KN
Netherlands

To the Management Board,

Our opinion

In our opinion, the special purpose consolidated financial statements give a true and fair view of the consolidated financial position of Promontoria 264 B.V. (the Company) and its subsidiaries (together 'the Group') as at December 31, 2021, and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with the accounting rules and principles applicable in France.

What we have audited

The Group's special purpose consolidated financial statements comprise:

- the consolidated balance sheet statement as of December 2021;
- the consolidated income statement for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the French code of ethics that are relevant to our audit of the consolidated financial statements in France. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the French code of ethics

Emphasis of Matter - restriction on distribution and use

We draw attention to the note 3.1.31 “Impact of the application of the regulation 2020-01 in 2021” which describes the main impacts of the implementation of the new French regulation 2020-01 in 2021.

The Group special purpose consolidated financial statements are prepared in the framework of its financing arrangements for communication to holders with 3 tranches of Senior Secured Notes: fixed rate notes of 340 m€ and 400 m$ due 2027 and floating rate notes of 250 m€ due 2027 issued by Promontoria Holding 264 B.V (“the bondholders”) and to the lenders under the super senior revolving facility agreement (“the lenders”).

As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for Promontoria Holding 264 B.V. and should not be distributed to or used by parties other than Promontoria Holding 264 B.V. and the bondholders and lenders. We accept no liability with regard to any third party to whom this report is distributed or into whose hands it may fall.

Our opinion is not modified in respect to these matters.

Other matter

The Company prepares a separate set of consolidated financial statements for the year ended December 31, 2021 in accordance with the accounting rules and principles applicable in the Netherlands for publication purpose.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the special purpose consolidated financial statements in accordance with the accounting rules and principals applicable in France and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose consolidated 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.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 ISAs 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 control.
- Obtain an understanding of internal control 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 control.
- 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 auditor's report to the related disclosures in the consolidated 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 auditor's 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report jurisdiction

This report is governed by French law. French courts have exclusive jurisdiction to judge any dispute, claim or disagreement that may result from our letter of engagement or this report or any related question. Each party irrevocably renounces his or her rights to oppose legal action brought before these courts, to contend that the action was brought before a court that was not competent, or that these courts do not have jurisdiction.

Neuilly-sur-Seine, April 7, 2022

PricewaterhouseCoopers Audit

Edouard Cartier

PROMONTORIA HOLDING 264 B.V.

Financial report 2021

PROMONTORIA HOLDING 264 B.V.

Contents

Consolidated income statement

In thousands of euros	Notes	31/12/2021	31/12/2020
Revenue	**5.1**	**1,397,075**	**1,080,810**
Field Expenses and Operating Overheads (1)		(1,136,450)	(974,071)
Gross Margin		**260,625**	**106,739**
Sales and Marketing		(8,483)	(6,172)
General & Administration		(105,244)	(106,587)
Other operating income and expenses		(701)	(3,068)
Operating income/(loss) before Goodwill impairment		**146,196**	**(9,088)**
Goodwill impairment (2)	**6.1.1**	-	(72,278)
Operating income/(loss) after Goodwill impairment		**146,196**	**(81,366)**
Financial result (3)	**5.3**	(64,636)	(70,486)
Net income/(loss) from ordinary activities of consolidated companies		**81,560**	**(151,852)**
Extraordinary items income/(expense)	**5.4**	3,355	(172)
Income tax expense	**5.5**	(15,147)	6,419
Net income/(loss) from consolidated companies		**69,769**	**(145,604)**
Consolidated net income/(loss)		**69,769**	**(145,604)**
Minority interests		205	(1,971)
Net income/(loss) - Group share		**69,563**	**(143,633)**
Number of shares		**100**	**100**
Earnings per share (Net income/(loss) - Group share / Number of shares) (4)		**695.63**	**(1,436.33)**

(1) For the period ending 31 December 2021, Field Expenses and Operating Overheads include an amount of €92.4 million of grants received of which €84.3 million related to PSP grant utilized (see note 2.2).

For the period ending 31 December 2020, Field Expenses and Operating Overheads include an amount of €68.1 million of grants received of which €67.0 million related to PSP grant utilized.

(2) Goodwill impairment previously below the Net income/(loss) from consolidated companies has been reclassified to Operating income/(loss) as required by the regulation 2020-01 of the French Gaap standards.

(3) For the period ending 31 December 2021, Unrealized foreign exchange gains and losses are no more included in the Financial result and are capitalized as required by the French Gaap standards (see note 3.1.16).

For the periods ending 31 December 2020, Unrealized foreign exchange gains and losses in the Financial result were financial expenses of €11.5 million.

(4) The Group presents its earnings per share. The earning per share is calculated from the outstanding shares on 31 December 2021.

Consolidated balance sheet

In thousands of euros	Notes	Assets 31/12/2021 Gross	31/12/2021 Depreciation, amortisation & provisions	31/12/2021 Net	31/12/2020 Net
Intangible assets	**6.1.2**	446,537	(118,742)	327,795	346,885
Goodwill	**6.1.1**	931,400	(168,618)	762,782	482,081
Tangible assets	**6.2**	483,914	(304,306)	179,608	144,045
Financial assets	**6.3**	53,599	(23,636)	29,962	15,535
Non-current assets		**1,915,450**	**(615,302)**	**1,300,148**	**988,547**
Deferred tax assets (1)	**5.5**	**-**	**-**	**-**	**2,713**
Foreign exchange rates differences - Assets (2)		**692**	**-**	**692**	**-**
Inventory and work-in-progress		2,776	-	2,776	2,060
Trade receivables and related accounts (3)	**6.4**	262,599	(14,897)	247,702	182,142
Other receivables and prepayments	**6.4**	81,643	(19,600)	62,043	69,468
Other assets (1)	**5.5**	3,472	-	3,472	-
Marketable securities		1	-	1	2,084
Cash and cash equivalents		158,534	-	158,534	183,858
Current assets		**509,024**	**(34,497)**	**474,527**	**439,611**
Total Assets		**2,425,166**	**(649,799)**	**1,775,367**	**1,430,871**

In thousands of euros	Notes	Liabilities and Shareholders' Equity 31/12/2021	31/12/2020
Share capital		0	0
Share premium		508,091	506,401
Consolidated reserves and net income/(loss)		(222,536)	(302,977)
Shareholders' equity (Group share)		**285,555**	**203,424**
Shareholders' equity	**6.5**	**285,555**	**203,424**
Provisions	**6.6**	**60,657**	**46,784**
Deferred tax liabilities (1)	**5.5**	**-**	**47,217**
Foreign exchange rates differences - Liabilities (2)		**2,193**	**-**
Borrowings (3)	**6.8**	1,064,268	870,476
Trade payables and related accounts	**6.9**	134,774	109,988
Other liabilities and deferred income	**6.9**	189,148	152,982
Other liabilities (1)	**5.5**	38,773	
Liabilities		**1,426,962**	**1,133,446**
Total Liabilities and Shareholders' equity		**1,775,367**	**1,430,871**

(1) Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset in the balance sheet for presentation purpose (see note 5.5).
On 31 December 2021, Deferred tax assets are reclassified to Other assets and Deferred tax liabilities to Other liabilities as required by the regulation 2020-01 of the French Gaap standards.

(2) Since 1 January 2021, unrealized foreign exchange gains and losses impacts are recorded in the balance sheet, they are no more included in the Consolidated net income/(loss) (see note 3.1.16).

(3) On 31 December 2021, Recourse factoring historically accounted for as a debt has been derecognized for an amount of €17.0 million from Trade receivables and related accounts as required by the regulation 2020-01 of the French Gaap standards which requires to follow the legal form of the transaction but not its substance. Trade receivables are derecognized from the balance sheet due to the transfer of ownership.

Consolidated cash flow statement

In thousands of euros	Notes	31/12/2021	31/12/2020
Consolidated net income/(loss)		**69,769**	**(145,604)**
Of which unrealized foreign exchange gains and losses included in Consolidated net income/(loss) (1)		-	*(11,501)*
Elimination of non-cash and non-operating items			
Depreciation, amortisation & provisions		70,159	136,008
Change in taxes	5.5	15,147	(6,419)
Capital gains and losses, net of tax		(1,541)	172
Sale & Lease back		-	(2,689)
Impact of legal operations (mergers, deconsolidation)		(4,186)	(11,125)
Unrealized foreign exchange differences (1)		-	11,501
Financing costs and Premium amortisation		8,744	7,900
Taxes paid		(25,211)	(11,983)
Net cost of borrowings		51,555	51,161
Cash from operations of consolidated companies		**184,435**	**28,921**
Change in working capital requirements		(3,506)	77,764
Of which change in net factoring (2)		*11,455*	*(21,994)*
Of which unrealized foreign exchange gains and losses included in working capital requirements		-	*(262)*
Net cash from operating activities		**180,929**	**106,685**
Of which net cash from financial items		*(40,057)*	*(72,904)*
Of which net cash from operating items (excluding financial items)		*220,986*	*179,589*
Purchase of intangible & tangible assets	6.1.2 / 6.2	(34,735)	(13,968)
Disposal of intangible & tangible assets, net of tax		4,300	1,307
Purchase of consolidated investments		(299,487)	-
Impact of changes in consolidation scope		98	(527)
Net cash used in investing activities		**(329,825)**	**(13,189)**
Dividends paid to minority interests in consolidated companies (Orbital)		(466)	(1,226)
Capital increases/(decreases) and capitalisable advance		1,690	(10)
Net Cash Proceeds from Senior Secured financing		155,000	45,500
of which Acquisition Bridge loan	2.8 / 6.8	*225,000*	-
of which RCF		*(70,000)*	*45,500*
Net financial interest paid		(51,512)	(50,910)
Change in financial assets & liabilities (2)		11,702	56,888
Net cash from financing activities		**116,414**	**50,242**
Change in cash		**(32,481)**	**143,738**
Impact of changes in foreign currency exchange rates		6,538	(8,122)
Reclassifications from cash equivalents to factoring receivables reserve		-	(1,752)
Net cash at the begining of the period		183,852	49,987
Net cash at the end of the period excluding marketable securities		157,909	183,852
Bank overdrafts		*625*	*6*
Net cash at the end of the period, excl. bank overdrafts		*158,534*	*183,858*

(1) For the period ending 31 December 2021, Unrealized foreign exchange gains and losses are no more included in the Consolidated net income/(loss) as required by the French Gaap standards (see note 3.1.16).

(2) The change in net factoring have been reclassified from Change in financial assets & liabilities (Net cash used in financing activities) to the Change in working capital requirement for the twelve-months period ending 31 December 2021 and 31 December 2020.

Unrealized foreign exchange gains and losses summary	**31/12/21**	**31/12/20**
In thousands of euros		
Consolidated net income/(loss) (1)	-	(11,501)
Repayment of borrowings	-	11,762
Working capital requirements	-	(262)
Net impact of unrealized foreign exchange gains and losses	**-**	**-**

(1) For the twelve-months period ending 31 December 2021, Unrealized foreign exchange gains and losses are no more included in the Consolidated net income/(loss) as required by the French Gaap standards (see note 3.1.16).

The table below shows the detail of the change in working capital requirements:

In thousands of euros	Notes	31/12/21	31/12/20
Raw materials and other supplies		(326)	847
Net trade receivables	6.4	(34,015)	37,627
Suppliers	6.9	13,892	13,394
Other tax and social receivables and debt	6.9	5,710	52,139
Prepaid expenses and deferred income	6.4	(3,380)	4,191
Other operating receivables and current debt (including financing costs)	6.9	3,158	(8,441)
Change in net factoring [(1)]	6.8	11,455	(21,994)
Change in working capital requirements		**(3,506)**	**77,764**

(1) The change in net factoring, including factoring reserves and recourse factoring, has been reclassified from the Change in financial assets & liabilities to the Change in working capital requirement.

The table below shows the detail of the change in financial assets & liabilities:

In thousands of euros	Notes	31/12/21	31/12/20
Finance lease	6.8	6,179	25,212
Uneliminated intercompany JV	6.8	(661)	241
Other non-current debt:		6,184	31,435
Other bank debt	*6.8*	*24,929*	*34,610*
Other liabilities	*6.9*	*(18,745)*	*(3,175)*
Change in financial assets & liabilities		**11,702**	**56,888**

On 31 December 2021, the change in Other bank debt included €16.4 million of additional PSP Loan (see note 2.2) and the change in Other liabilities is mainly change in deposits and guarantees for €(14.9) million.

On 31 December 2020, the change in Other bank debt included €26.9 million of PSP Loan (see note 2.2) and the change in Other liabilities is mainly change in deposits and guarantees.

Notes to the consolidated financial statements

1. General information

Promontoria Holding 264 B.V. (“the Company”) and its subsidiaries (together “the Group” or “WFS”) is a global aviation services group principally focused on cargo handling and ground handling, operating under the name of “Wordwide Flight Services” or “WFS”.
The holding company of the Group is Promontoria Holding 264 B.V., a private company with limited liability (“besloten vennootschap met beperkte aansprakelijkheid”) incorporated under the laws of the Netherlands with Dutch Trade Register number 71480765, and having its registered office at Oude Utrechtseweg 32, 3743, KN Baarn, the Netherlands. The Company is an affiliate of Cerberus Capital Management, L.P. and is owned at 100% by Promontoria Holding 263 B.V.
Promontoria Holding 264 B.V. was created on 20 April 2018 and the acquisition of the WFS group took place on October 2, 2018. As a sole holding company, Promontoria Holding 264 B.V. had no significant activity over the 9 months period ending 30 September 2018 other than in relation to the issuance of the Senior Notes (see notes 6.8 and 7.4.1).
The Group special purpose consolidated financial statements are prepared in the framework of its financing arrangements for communication to holders of the fixed rate notes due 2027 and floating rate notes due 2027 issued by Promontoria Holding 264 B.V and to the lenders under the super senior revolving facility agreement (see note 7.4.1).

2. Major events of the period

2.1 Covid 19 and impact on the Group business

The 12 months period ending 31 December 2021 continued to be impacted by the effects of the COVID-19 pandemic on the aviation business. However, WFS’ Cargo handling business confirmed its recovery above pre-pandemic levels, with underlying volumes above Q4 2019 levels, while the Ground handling business and other business driven by passenger traffic remained negatively affected, despite some areas of recovery, notably in North America.

While the air freight market continues to be impacted by capacity reductions due to the decrease in long haul air passenger traffic, the corresponding reduction in belly capacity continued to be offset by the increase in load factors, the high utilization rate of available freighters, and the usage of some passenger aircrafts for freight transportation only.

2.2 US CARES Act and Payroll Support Program (PSP)

On 10 June 2020, the Group announced that its wholly owned subsidiary WFS Inc. (and other US subsidiaries) had entered into a PSP agreement (the “PSP Agreement”) with the US Department of the Treasury (“US Treasury”) under which it was expecting to receive financial assistance under the Payroll Support Program (“PSP”) of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) for a total amount of $107.3 million, of which $76.6 million was to be a direct grant and $30.7 million was to be an unsecured, non-amortising 10-year promissory note. Those funds were fully received during 2020.

As announced by the Group on 2 March 2021, in February 2021, the Group received additional funding under the PSP program amounting to $27.8 million (of which $15.6 million in the form of a grant and $12.2 million as an increase in the amount of the existing Promissory Note). These additional amounts brought the total funding received by WFS under the initial PSP plan (“PSP1”) to $135.1 million, of which $92.2 million as a grant and $42.9 million as a Promissory Note.

In addition to the PSP amounts referred to above, under the terms of the PSP extension implemented pursuant to the Consolidated Appropriations Act 2021 (the “PSP Extension” or “PSP2”), WFS was to receive additional funding totalling $45.6 million, of which $3.6 million by way of a Promissory Note on substantially the same terms as the 2020 PSP Promissory Note, and the remainder as a grant. An amount of $22.8 million, corresponding to 50% of the total expected PSP Extension support, was received by WFS in February 2021 of which $21.0 million as a grant and $1.8 million as a Promissory Note. The remaining part of the PSP Extension was received after the end of Q1 2021, in April 2021, and amounted to $22.8 million, of which $21.0 million as a grant and $1.8 million as a Promissory Note.

On 29 April 2021, WFS entered into an agreement with the US Treasury to benefit from a third Payroll Support Program (“PSP3”) under the American Rescue Plan Act of 2021. Under PSP3 a total amount of $45.6 million was received in April and June 2021, of which $42.0 million as a grant and $3.6 million as a Promissory Note under terms similar to those of the 2020 PSP Promissory Note.

The total funding received by WFS under additional PSP agreements in 2021 amounts to $119.1 million, of which $99.7 million as a grant and $19.4 million as a Promissory Note.

Under all PSP agreements referred to in this section, PSP funds must be used exclusively for the continuation of payment of wages, salaries, and benefits to qualified employees of the Group entities that are parties to the PSP Agreement. The PSP Agreement between WFS Inc. and the US Treasury is consistent with the standard form of PSP agreement for air carrier contractors that has been made available to the public by the US Treasury.

Synthesis of the PSP Loan in the consolidated balance sheet – Borrowings (see note 6.8) and the PSP Grant in the consolidated income statement – Field Expenses and Operating Overheads:

In thousands	31/12/2019	Increase	Forex impact	31/12/2020	Increase	Forex impact	31/12/2021
PSP LOAN - USD	-	30,687	-	**30,687**	19,390	-	50,077
PSP LOAN - EUR	-	26,867	(1,859)	**25,008**	16,395	2,812	44,214

In thousands	31/12/2021	31/12/2020
PSP GRANT - USD	99,678	76,557
PSP GRANT - EUR	84,280	67,026

2.3 Airlines Bankruptcies

While a number of airlines have filed for bankruptcy due to the impact of the pandemic on their business in the course of 2020, the large majority of them have continued to operate and some have recovered. Given that a number of WFS' major customers are state-owned (notably the Gulf states airlines and China's main carriers) whilst other large international airline customers have benefited from government support programs (including various US airlines, AF KLM, Lufthansa Group, Cathay Pacific), the Group believes customer risk to be adequately covered on 31 December 2021. Furthermore, WFS was able to recover €3.8 million of its receivables due by LATAM, which had previously been written off.
On 17 December 2021, the Brazilian airline company Itapemirim Transportes Aéreos suspended all operations. Consecutively to this announcement, a provision for bad debts of €2.0 million was recorded in December 2021.

2.4 WFS subsidiaries being placed into administration

Connecting Bags Services ('CBS'), a fully owned subsidiary operating baggage handling business at CDG (Paris) airport was put under administration ('Redressement judiciaire') in December 2020 and deconsolidated from December 2020. On 6 July 2021, the court of commerce accepted the offer made by Connecting Flight Services, a fully owned subsidiary of the Group, to acquire a part of CBS business and a majority of its employees.

Separately, Bag Flight Services ('BFS'), another subsidiary also operating in baggage handling at CDG (Paris) airport was put under administration ('Redressement judiciaire') on 30 July 2021 and deconsolidated from the same date.
The transfer of assets from Connecting Bag Services to Connecting Flight Services was completed in December 2021, as per the court decision on 6 July 2021. On 22 November 2021 the Court of Commerce confirmed the liquidation of Bag Flight Services.

<u>Deconsolidation of Orly Passenger Services (OPS) and Orly Flight Services (OFS) in 2019</u>
On 16 December 2019, OFS and OPS applied to the Commercial court of Bobigny for judicial liquidation proceedings to be opened. On 31 December 2019, the Court approved the liquidation of OFS/OPS, and the companies are from that date managed by a liquidator appointed by the Court.
In light of the above, OFS/OPS have been excluded from the scope of consolidation of the WFS Group on 31 December 2019. Furthermore, the going concern accounting principle is no longer applicable to those entities, and notably the following: the principle of separation of exercises; the principle of permanence of methods.

2.5 Temporary amendment to the Super Senior RCF agreement

On 28 April 2021, the Group extended until 30 September 2021 the terms of its agreement with the Super Senior RCF lending banks regarding a temporary replacement of its financial covenant by a minimum liquidity covenant of €50 million. From 1 October 2021, the covenant imposing an 8.25x limit has been reinstated, and the minimum liquidity covenant is no longer applicable. As a reminder, a breach of the net senior secured leverage ratio covenant under the Super Senior RCF would only result in a draw stop of the Super Senior RCF and not in an event of default.

2.6 Acquisition of R.A.Hand

On 28 July 2021, the Group acquired 100% of R.A.Hand, a small independent provider of cargo handling services to freight forwarders at CDG airport, thereby increasing its activity in freight forwarding assistance. Financial terms were not disclosed. The contribution of RA Hand to the WFS Group sales and net income is not considered material.

2.7 Acquisition of Pinnacle Logistics

On 24 September 2021, the Group acquired 100% of the membership interests of IAS Logistics DFW, LLC (d/b/a "Pinnacle Logistics"), a leading provider of cargo handling services in the U.S. to major e-commerce players and airlines.
The acquisition delivers on WFS' commercial growth strategy, which includes accelerating revenue growth in cargo handling through product development, including high-growth specialist e-commerce handling.
The purchase price of the acquisition was €75 million (including financial debt). WFS financed the acquisition with cash on its balance sheet and revolver drawings.
Pinnacle Logistics achieved in 2020 US GAAP revenue of €101.0 million and US GAAP net income of €11.1 million for the 12 months period ending December 31, 2020.

The entity has been consolidated in the Group financial statements from 30 September 2021.

On 30 September 2021, the goodwill recognized for Pinnacle Logistics amounted to $70.0 million (€60.4 million based on 30 September closing rate). The "cost value based on the contemplated use by the company" may be adjusted during the 12 months following the acquisition date.
It will be completed during the period up to 30 September 2022.

In million	USD
Purchase price including transaction fees	**91.0**
Deduction of the net equity of the acquired company	(20.9)
Goodwill before allocation	**70.0**

2.8 Acquisition of Mercury Air Cargo Inc. and Maytag Aircraft Corporation (together 'the Mercury Business')

On 30 December 2021, the Group completed the acquisition of the Mercury Business, which provides:

- Air cargo handling, screening, storage, and import services in Los Angeles International Airport (LAX), San Jose International Airport (SJC) and San Francisco International Airport (SFO); and
- Operations and maintenance services for fuel equipment and infrastructure and other ground support services as a US Department of Defense contractor at US and international military bases.

The acquisition delivers on WFS' commercial growth strategy, which includes accelerating revenue growth in cargo handling and reinforcing its position in the fast-growing US market.

The purchase price of the acquisition was €217 million (including financial debt). WFS financed the acquisition with a bridge acquisition facility of €225 million, which has since been repaid (see note 7.4.1).
The Mercury Business achieved in 2021 US GAAP revenue of €118.0 million and US GAAP net income of €22.2 million for the 12 months period ending 31 December 2021. The Mercury Cargo business will be integrated into the WFS North American Cargo business.

The acquired entities have been consolidated in the Group financial statements from 31 December 2021, thus impacting only the WFS consolidated Balance Sheet on 31 December 2021, with nil impact on the P&L for the 12 months period ending 31 December 2021.

On 30 December 2021, the goodwill recognized for the Mercury Business amounted to $245.8 million (€217.0 million based on 31 December 2021 closing rate). The "cost value based on the contemplated use by the company" may be adjusted during the 12 months following the acquisition date.
It will be completed during the period up to 30 December 2022.

In million	USD
Purchase price including transaction fees	**261.0**
Deduction of the net equity of the acquired company	(15.1)
Goodwill before allocation	**245.8**

3. Accounting framework, basis of consolidation, valuation rules and methods

3.1 Accounting framework

The consolidated financial statements have been prepared in accordance with the French Commercial Code ('Code de Commerce – Article L.233-16 et seq') completed by the new regulation 2020-01 of the French Accounting Regulation's Committee replacing since 1 January 2021 the old regulation 99-02 of the French Accounting Regulation's Committee ('Comité de la réglementation comptable').
The accompanying Notes therefore relate to significant events and transactions of the exercise.
They have been prepared on a going concern basis, based on the principle of separation of accounting fiscal years and at historical cost.
All figures are stated in thousand euros, unless otherwise stated.

3.1.1 Comparison with prior year

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant sections in relation with the new regulation 2020-01. (See detailed impacts in the note 3.1.31)

3.1.2 Judgements, estimates and uncertainties

In applying the principles and policies for preparing the financial statements, the directors of Promontoria Holding 264 B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the true and fair view, the nature of these estimates and judgments, including assumptions related to the uncertainties, is disclosed in the notes to the relevant financial statement items.
For the preparation of the 2021 financial statements, estimates are made based on a going concern assumption and on information available at the date of their preparation. Estimates and judgements are continuously evaluated and are based on management's best knowledge of the relevant facts and circumstances, giving consideration to previous experience and other factors, including expectations about future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances. When the Group makes estimates and assumptions concerning the future, the resulting accounting estimates will, by definition, seldom equal the related actual results and actual results may differ from the amounts included in the consolidated financial statements. These judgment and estimates are made in the uncertain context created by the Covid 19 health and economic crisis.
Key sources of estimation uncertainty which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year include the items presented below:

- Ability of the Group to continue as a going concern and subsequent events (see note 7.4).
- Impairment test of goodwill and other fixed assets: assumptions underlying the estimation of value in use in respect of cash-generating units for impairment testing purposes require the use of estimates such as long-term discount rates and growth rates. (See note 6.1.1).
- Recoverability of deferred tax assets: the recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which the unused tax losses can be utilized (see note 5.5).
- Accounts receivable valuation allowance (see note 6.4).

3.1.3 Basis of consolidation

Companies over which the Group exercises control, either directly or indirectly, are fully consolidated (see note 4).

Companies over which the Group exercises joint control along with other shareholders, pursuant to shareholders' agreements and regardless of the shareholding interest, are consolidated using the proportionate method. The statues of these companies explicitly state rules governing main strategic and operating decisions in a conjoined manner.

On 31 December 2021, the following entities are consolidated using the proportionate method:

Companies consolidated using proportionate method	% interest
TETRA TECH-MAYTAG AIRCRAFT CORPORATION JOINT VENTURE	50.00%
WFS PG CARGO COMPANY LTD	51.00%
WORLDWIDE CRUISE TERMINALS (HONG KONG) LIMITED	60.00%
DUNWOODY AIRLINE SERVICES LTD	60.00%
GLOBAL SERVICE HANDLING SAS (GSH)	49.25%
WORLDWIDE FLIGHT SERVICES (SOUTH AFRICA) PTY LIMITED	60.00%
FCS FRANKFURT CARGO SERVICES GMBH	51.00%

There are no equity affiliates in the Group's scope of consolidation.

Subsidiaries or holdings representing a minor interest with respect to the fair presentation of the accounts are not consolidated.
Intercompany transactions, profits and balances amongst Group companies and other consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are also eliminated, unless such a loss qualifies as an impairment. The accounting policies of Group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing Group accounting policies.

3.1.4 Changes in scope of consolidation

On 1 January 2020, Roissy Ground Services SAS (RGS) and Groupement d'Intervention Opérationnel Services SAS (GIOS) merged into European Flight Services SAS (EFS).

WFS Airport Solutions ltd was deconsolidated from 1 April 2020 as the company was put under administration following the bankruptcy of its sole customer, Flybe. This deconsolidation has resulted in a non-material impact on the consolidated net income.

On 31 December 2020, Connecting Bags Services (CBS) has been deconsolidated.

On 12 February 2021, Connecting Flight Services SAS (CFS) was incorporated as a private company, with its registered office in France under the Trade register number 895 302 719 RCS Bobigny. This entity is wholly owned by the Group and therefore fully consolidated.

On 14 May 2021, Transfert Fret et Poste Services SAS (TFPS) merged into European Flight Services SAS (EFS).

On 28 July 2021, the Group acquired 100% of R.A.Hand, a small independent provider of cargo handling services to freight forwarders at CDG airport, thereby increasing its activity in freight forwarding assistance. (See note 2.6)

On 31 July 2021, Bag Flight Services (BFS) has been deconsolidated. (See note 2.4)

On 5 August 2021, Global Freight Services SAS (GFS) was incorporated as a private company, with its registered office in France under the Trade register number 902 087 600 RCS Bobigny. This entity is wholly owned by the Group and therefore fully consolidated.

On 24 September 2021, the Group acquired 100% of the membership interests of IAS Logistics DFW, LLC (d/b/a "Pinnacle Logistics"). Pinnacle Logistics is a leading provider of cargo handling services for the aviation market in the U.S. and is focussed on specialist express cargo handling for e-commerce customers. (See note 2.7)

On 18 November 2021, Condor Manco OB S.à.r.l, a holding company based in Luxembourg has been liquidated. This dissolution has resulted in a non-material impact on the consolidated net income.

On 19 November 2021, Vita Holding S.à.r.l, a holding company based in Luxembourg has been liquidated. This dissolution has resulted in a non-material impact on the consolidated net income.

On 30 December 2021, the Group has completed the acquisition of Mercury Air Cargo, Inc., and Maytag Aircraft Corporation (the Mercury Business) from Mercury Air Group, Inc. Mercury Air Cargo is a privately held air cargo handler located on the U.S. West Coast with operations at Los Angeles International Airport, San Francisco International Airport, and San Jose International Airport. Maytag Aircraft is an established U.S. government services contractor that provides essential operations and maintenance services, including tank fuel farm management and refuelling services. (See note 2.8)

3.1.5 Conversion of financial statements of foreign subsidiaries

The functional currency of the parent company is the euro, as most of the activity and cash flows originate in countries pertaining to the Eurozone. The balance sheets, income statements and cash flow statements of certain subsidiaries, whose functional currency differ from that of the parent company, are translated into the Group functional currency:
- at the period-end exchange rate for balance sheet items.
- at the average period exchange rate for income statement items.

Translation differences resulting from this conversion are recorded in equity.

The exchange rates for main currencies of the non-Eurozone countries used to prepare the consolidated financial statements are as follows:

Closing exchange rate (1 euro = xx foreign currency)	31/12/2021	31/12/2020
UAE dirham	4.1595	4.5065
Brazilian reals	6.3101	6.3735
Canadian dollars	1.4393	1.5633
Danish crowns	7.4364	7.4409
Pounds Sterling	0.8403	0.8990
Hong-Kong dollars	8.8333	9.5142
Jamaican dollars	174.6932	175.3618
Peruvian Sol	4.5257	4.4392
Swedish Crowns	10.2503	10.0343
Dollars Singapore	1.5279	1.6218
Thai bahts	37.6530	36.7270
U.S. dollars	1.1326	1.2271
South Africa Rands	18.0625	18.0219

Average exchange rate (1 euro = xx foreign currency)	31/12/2021	31/12/2020
UAE dirham	4.3436	4.1947
Brazilian reals	6.3779	5.8943
Canadian dollars	1.4826	1.5300
Danish crowns	7.4370	7.4542
Pounds Sterling	0.8596	0.8897
Hong-Kong dollars	9.1932	8.8587
Jamaican dollars	178.2176	162.4353
Peruvian Sol	4.5896	3.9970
Swedish Crowns	10.1465	10.4848
Dollars Singapore	1.5891	1.5742
Thai bahts	37.8368	35.7081
U.S. dollars	1.1827	1.1422
South Africa Rands	17.4766	18.7655

3.1.6 Related parties

All legal entities that can be controlled, jointly controlled, or significantly influenced are a related party. Also, entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of Promontoria Holding 264 B.V. or the ultimate parent company Cerberus Capital Management and close relatives are regarded as related parties.

3.1.7 Intangible assets

a) Goodwill

Business combinations are recorded in accordance with the acquisition method, which consists of measuring the assets, liabilities, and contingent liabilities of acquirees at the “cost value based on the contemplated use by the company”. The difference between the acquisition cost (including the transaction fees) of contributed assets or acquired shares and the “cost value based on the contemplated use by the company of the identifiable assets”, liabilities and contingent liabilities as at the acquisition date is recorded as an intangible asset under the heading “Goodwill”. Minority interests held in acquirees are measured on acquisition at the proportionate share held by minorities in the cost value based on the contemplated use by the company of the assets and contingent liabilities recorded as at the acquisition date.

Goodwill arising on the acquisition of a foreign entity (outside the Eurozone) is treated as an asset of the relevant entity. It is recorded in the currency of the acquired entity and translated into euros at the period-end rate.
Goodwill is allocated to groups of cash generating units (CGU). These units correspond to entities whose economic activity generates cash flows that are largely independent of each other.
The company determines the useful life, limited or not, of the goodwill, based on a documented analysis of the acquisition, notably in regards with technical, economic, and legal aspects. In case there is no predictable limitation to the duration over which the goodwill will provide substantial benefits to the group, the goodwill is not amortized. Accordingly, goodwill is not amortized.

In the event of disposal of a subsidiary, goodwill attributable to this subsidiary is included in the calculation to determine gains and losses arising on disposal.
In the event of an additional purchase of minority interests, the difference between the purchase cost and the carrying amount is recorded in goodwill.

The entity shall assess at each balance sheet closing date whether there is any objective evidence that the goodwill should be impaired. These impairment tests consist of comparing the net book value of goodwills to their recoverable amounts, corresponding to the greater amount between the net selling price and the value in use, estimated by the net present value of the future cash flows generated by their use. The method projects to perpetuity a normative amount with a growth rate. The discount rate applied to those cash flows corresponds to the average cost of capital for each Cash Generating Unit (CGU). In case the annual impairment test reveals a recoverable amount less than the net book value, an impairment is recognized to bring back the net book value of the goodwill to its recoverable amount.

b) Other intangible assets

These mainly include patents, licences and equivalent as well as computer softwares. Intangible assets acquired appear in the balance sheet at purchase cost and are amortised on a straight-line basis over their useful lives. Intangible assets

acquired in a business combination are recognised separately from goodwill if they arise from contractual or legal rights and their costs value based on the contemplated use by the company can be reliably estimated.
The main useful lives of the different classes of intangible assets are as follows:

Patents, licences and equivalent	5 to 15 years
Computer softwares	3 to 5 years
R&D costs	5 to 10 years
Concession contract	Actual life of contract
Other intangible assets	3 to 8 years

Research and development costs, which are immaterial, are not capitalised or immediately written-off.
Future amortisation is adjusted if there is a change in estimated future useful life.
Acquired customer portfolios are valued taking into consideration differentiated churn rates (ranging from 5% to 15%) to take into account the specificities of each activity and geographic area. They are amortized using the straight-line method over their estimated useful lives (with a maximum of 19 years).

Acquired ground licenses are valued considering renewal rate of 50% to 75%. These are amortized using the straight-line method over their estimated useful lives (with a maximum of 11 years).

The WFS trademark was valued in the amount of €33.3 million considering an indefinite useful life.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to note 3.1.13.

3.1.8 Tangible assets

Tangible assets are recorded at purchase or production cost (which may be direct or indirect costs, including acquisition fee), less accumulated depreciation and any impairment losses. Tangible assets are not subject to revaluation.
Depreciation is generally calculated in accordance with the straight-line method over the useful life of the asset; the accelerated depreciation method may nevertheless be used when it appears to be more relevant with regard to the useful life of the equipment concerned.
For certain complex tangible assets comprising different components, particularly buildings, each component of the fixed asset is depreciated over its own useful life.

The main useful lives of the different classes of tangible asset are as follows:

Buildings	20 to 30 years
Shell, bare brickwork	20 to 30 years
Machinery and equipment	5 to 10 years
Transport equipment and vehicles	3 to 5 years
Fittings and fixtures	5 to 10 years
Office furniture and equipment	3 to 10 years

The starting date for calculating depreciation is the asset’s commissioning date.
Future depreciation is adjusted if there is a change in estimated future useful life.

Major repair expenses
Major repair expenses are expenses subject to multi-year programs of maintenance or visits.
This technique consists in isolating on the one hand the structure (main element of the immobilization not being replaced or maintained) of its components (elements maintained during the use of the main asset). Future maintenance expenses will be estimated within the acquisition price at the acquisition date of the property and will be shown separately as assets. They will be a depreciated component over the period between two programs of maintenance or visits.

Finance leases
The Group leases some of buildings, office, and site equipments, whereby it holds substantially all the risks and rewards of ownership of these assets. These assets are recognised on the balance sheet upon commencement of the lease contract at the lower of the cost value based on the contemplated use by the company of the asset or the discounted value of the minimum lease payments. The lease instalments to be paid are divided into a repayment and an interest portion, using the annuity method.
The liabilities under the lease are included under Borrowings.
The interest component is included in the income statement for the duration of the contract on the basis of a fixed interest percentage of the average remaining redemption component. The assets are depreciated over the remaining economic life or, if shorter, the duration of the contract.

Operational lease
The Group may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of nor incurred by the Group. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, considering reimbursements received from the lessor, in the income statement for the duration of the contract.

3.1.9 Long-term investments

The following long-term investments are recorded in the balance sheet under this heading:

- Non-consolidated investments: their gross value is comprised of the purchase cost including transaction fee as required by the new regulation 2020-01. These investments are valued at the period-end, taking one or more of the following items into consideration: equity attributable to the Group, net income / (loss) and outlook. When the carrying amount is less than the gross value, a provision for impairment is recorded in the amount of the difference.
- Deposits, guarantees and surety bonds.

3.1.10 Inventory and work-in-progress

Inventories (stocks) are valued at historical price or production cost based on the FIFO method (first in, first out) or lower realisable value.
The historical cost consists of all costs relating to the acquisition and the costs incurred to bring the inventories to their current location and current condition.
The realisable value of goods for resale is the estimated sales price less directly attributable sales costs. In determining the realisable value, the obsolescence of the inventories is considered.
The realisable value of raw materials and consumables and work in progress is derived from the estimated sales price of goods for resale, taking into account the estimated costs of completion and the estimated costs that are necessary to realise the sale.

3.1.11 Receivables

Receivables are recognised initially at their nominal value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured based on the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.
Other receivables presented under financial assets include issued loans and other receivables as well as purchased loans that will be held to their maturity date. These receivables are initially measured at fair value and subsequently carried at amortised cost. If loans are issued at a discount or premium, the discount or premium is recognised through profit or loss over the maturities of the loans using the effective interest method. Also, transaction costs are included in the initial valuation and recognised through profit or loss as part of the effective interest method. Impairment losses are deducted from amortised cost and expensed in the income statement.

3.1.12 Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

3.1.13 Impairments of assets

On each balance sheet date, the Group assesses whether there are any indications that an asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.
An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the cost value based on the contemplated use by the company less cost to sell and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.
The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. The costs deducted in determining net realizable value are based on the estimated costs that are directly attributable to the sale and are necessary to realize the sale. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted.
If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill cannot be reversed.
The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement
The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.
If an impairment loss has been incurred on an investment in an equity instrument carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The impairment loss shall be reversed only if the evidence of impairment is objectively shown to have been removed.

3.1.14 Payables

On initial recognition current liabilities are recognised at their nominal value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, considering premiums or discounts, less transaction costs. This usually is the nominal value.

3.1.15 Borrowings (Long-term debts)

On initial recognition long-term debts are recognised at their nominal value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition.
As allowed by French GAAP, transactions costs are capitalized and amortized over the duration of the debt until maturity.

3.1.16 Translation of items denominated in foreign currencies

Foreign currency transactions are translated into euros at the prevailing rate as at the transaction date. At the period-end, monetary financial assets and liabilities denominated in a foreign currency are translated into euros at the prevailing rate at the period-end.
Realized Foreign exchange gains and losses are recorded in foreign exchange gains and losses and presented in the heading financial income/(expense) in the income statement. Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised unless hedge accounting is applied.
Since 1 January 2021, applying the regulation 2020-01, unrealized foreign exchange losses relating to non-cash accounts are recognized in the balance sheet in Assets under "Foreign exchange rate differences – Assets" and lead to the recognition of a provision for currency risks. And unrealized foreign exchange gains are recognized in the balance sheet in Liabilities under "Foreign exchange rate differences – Liabilities".

3.1.17 Provisions for contingencies and losses

Provisions are recorded when the Group has a present obligation arising from past events which is expected to result in an outflow of resources which can be estimated reliably. The amount recognised as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date.
Provisions for pension are valued based on actuarial principles. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary to settle the obligation, unless stated otherwise.
If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.
Restructuring provisions are recognised only after a detailed formal plan is adopted and notified to the interested parties. Restructuring provisions include the cost of implementing the plans and measures undertaken if these have been announced before the balance sheet closing date.

Provisions appearing in the Group balance sheet mainly concern:

- Redundancies, HR litigations and other contingencies related to operations (notably aviation related claims).
- Onerous contracts.
- Pension commitments and other employee benefits (notably workers' compensation liabilities in the US).

3.1.18 Recognition of the revenue

The Group generates substantially all its revenues from services.

a) Sales of services

Revenue comprises the receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, rebates, and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity. Revenue from services is recognised in the accounting period the services are provided.

b) Dividend income

Dividend income is recognised when the right to receive payment is established. Dividends within the Group are eliminated.

3.1.19 Field expenses and operating overheads

Field expenses and operating overheads represents the direct and indirect expenses attributable to revenue, purchase expenses related to the goods sold, employee cost, depreciation charges for buildings and equipment, and other operating expenses that are attributable to cost of sales.
Those costs are net of any operating grants and indemnities when the Group benefits from such arrangements.

3.1.20 Sales and Marketing

Sales and marketing expenses comprise costs incurred in relation to commercial, communication and marketing activities performed by the Group.

3.1.21 General & administrative

General & administrative expenses comprise costs incurred for supporting the Group operations in respect of Safety and Security, IT, HR and payroll, Finance, and executive management.

3.1.22 Employee cost

Employee costs (wages, salaries, social security contributions or equivalent benefits, etc.) are not presented as a separate item in the income statement. These costs are included in other components of the income statement, i.e., Field Expenses and Operating Overheads, Sales and Marketing and General & Administration expenses.
Those costs are net of any reimbursement of wages and/or social charges when the Group benefits from such arrangements.
Salaries, wages, and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively.

Pensions

The Group applies the liability approach for all pension schemes. The premium payable during the financial year is charged to the result. Changes in the pension provision are also charged to the result. Please also refer to the valuation principles for assets and liabilities, under Provision for pensions. Reference is also made to the relevant notes with respect to pension schemes of foreign subsidiaries.

Defined benefit schemes

The Group's affiliates participate in different retirement plans. In French entities, the commitments related to these plans are calculated using the projected unit credit method in accordance with ANC recommendation 2013-02 amended on 5 November 2021.

The main pension plan of the Group is 'Indemnités de Fin de Carrière' (IFC) for the French companies' employees. The legislation providing those allowances are paid to employees at the time of their retirement, according to their length of service and their salary at retirement age. The actuarial cost of the commitments is assumed each year during the employees' working life.

The related pension provision is estimated based on actuarial calculations relying on assumptions such as the discount rate, return on investments dedicated to these plans, future salary increases, staff turnover rate, mortality tables and the rate of growth in health spending.

These assumptions are updated at least annually. The main assumptions used are detailed in note 6.6.

The Group considers that the actuarial assumptions used are appropriate and justified under current conditions, however the commitments are likely to change in the event of a change in assumptions.

In accordance with French Gaap, the Group applied the corridor method for the main benefit pension plan in France. Commitments related to defined benefit pension plans are provisioned in the balance sheet.

Actuarial differences reflect the difference between actuarial assumptions and actual figures as well as the impact of any change in actuarial assumptions. In the specific case of pension benefits, these differences are only booked in part on the income statement where they exceed 10% of the maximum between the discounted value of the commitment and the fair value of the plan assets.

The annual charge booked under personnel expenses for defined benefit plans includes:

- additional entitlements vested by each employee (current service cost).
- interest costs arising from the unwinding of the discounting effect.
- the expected return on plan assets (gross yield).
- the amortisation of actuarial gains and losses and past service cost.
- the effect of settlement or curtailment of plans.

Workers' Compensation program (WC program)

The WC program is applicable to WFS business in the United States and is a government mandated business insurance that provides benefits to employees who suffer work-related injuries or illnesses. This insurance provides payment for medical care and for wages from lost work time.

The WFS' WC program benefits from a coverage from a reputable insurance company and is partly self-insured. The acquired companies, Pinnacle and Mercury businesses, are included in the WC program.

WFS has retained a third-party firm to provide an actuarial analysis of its commitment under the self-insured obligations of the WC program and to calculate a reserve for the outstanding loss and allocated adjustment expense (ALAE) for accidents occurred.

3.1.23 Financial result

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which, they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

3.1.24 Income taxes

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

3.1.25 Deferred taxation

Deferred tax assets and liabilities arise from the temporary difference between the carrying amount and the tax base of assets and liabilities. A deferred tax liability shall be recognised for all taxable temporary differences, except for those arising from:

a. the initial recognition of goodwill; or
b. the initial recognition of an asset in a transaction which, at the time of the transaction, has a lower tax base than its carrying amount, which will not reverse
c. temporary differences associated with investments in subsidiaries other than those related to withholding taxes on expected internal distributions

The deferred tax assets on deductible temporary differences are recognised to the extent that:

- there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same period as the expected reversal of the deductible temporary difference.
- Or, when there are insufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, to the extent that the entity will probably have sufficient taxable profit relating to the same taxation authority and the same taxable entity in the same period as the reversal of the deductible temporary difference

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset in the balance sheet for presentation purpose.

3.1.26 Extraordinary items

Exceptional transactions are items by reference to their amount and/or by reference to their nature and are limited for the Group to unusual, abnormal, and infrequent items.
Generally, gains and losses related to win and loss of contract and costs related to opening or closing of station are reported as current operations.

3.1.27 Financial instruments

Foreign exchange and interest rate risks may be hedged on organised markets or over the counter with banking counterparties. According to applicable French Gaap, gains and losses arising from hedging operations would be recognised to match the gains and losses of the hedged items.
On 31 December 2021, the Group does not have any interest rate or foreign exchange hedging instruments outstanding.

3.1.28 Risks

There are a number of risks associated with the strategy and with its implementation.

a) Strategic risks

Our global operations in diverse locations expose us to various economic, political, social, and legal risks that are beyond our control.

On 31 December 2021, we were present at 165 airport stations in 20 countries on five continents, which included operations in Brazil and Thailand. Due to the international scope of our operations, we are subject to a number of political, social, and economic risks and challenges associated with operating in foreign countries, many of which are beyond our control, including political, social, and economic instability, war and civil disturbance, coups or acts of terrorism, natural disasters, changes in government policies and regulations and political intervention in the economy, hyperinflation, etc…

Adverse economic conditions can have a significant adverse effect on the airline industry and our business by reducing demand for our services or increasing price pressure.

Weak or negative economic growth or economic shocks have a substantial effect on the airline industry. Adverse economic conditions tend to reduce the number of business and leisure travellers as well as the volume of cargo being shipped by air. The condition of the airline industry has a substantial effect on our business, since our customers consist of passenger airlines, airports, and freight carriers.

b) Operation risks

- Competition

The cargo handling and ground handling services industry and the markets for WFS services are extremely competitive, and the Group face competition from a number of sources. The decision to opt for an outsourced provider of cargo handling, ground handling and/or the other technical services is often based on the circumstances and strategic plans of a particular potential customer, which WFS cannot necessarily influence with its value propositions. The level of competition depends primarily on the number and size of the other services providers operating at the airports where WFS operates. At many of these airports, the service market is highly competitive, and WFS competes against a number of operators.

- Regulation risk

The industry has traditionally been subject to strict public regulation of access to airports. Although the cargo handling sector in Europe has been fully open to competition since 1999, ground handling activities are still protected at many airports. However, airports and ground handling service providers have increasingly been subject to deregulation, opening the market to a greater number of potential competitors. In airports where we are already established, deregulation may increase ground handling competition and put downward pressure on prices.

- Labor disputes could disrupt our operations or lead to higher labor costs

The Group is subject to the risk of labor disputes, which may disrupt its operations. Labor laws applicable to WFS business in certain countries are relatively rigorous. In numerous cases, labor laws provide for the strong protection of employees' interests. In addition, employees at certain airports are members of unions or, based on applicable regulations, represented by works councils or other bodies. These labor laws and consultative procedures could limit the Group flexibility with respect to employment policy or economic reorganization and could limit our ability to respond to market changes efficiently.

- IT risks

The operations are heavily and increasingly dependent on technology to operate the business. The computer and communications systems on which the Group relies could be disrupted due to various events, including natural disasters, power failures, terrorist attacks, equipment failures, software failures and cybersecurity risks.

c) Financial risks

The Group has exposure to the following financial risks arising from its operations, which are being monitored on a continuous basis:

- Currency risk
- Credit risk
- Liquidity risk

- Currency risk

The revenue, costs, debts, capital expenditure and investments of the Group are mainly denominated in euros, U.S. dollars and British pound sterling. The Group is also exposed to currencies such as the Thai baht, the Brazilian real, the Canadian dollar, the Hong Kong dollar (linked to the U.S. dollar) and the Danish krone, amongst others. Consequently, portions of our revenue, costs, profit margins and asset values are affected by fluctuations in the exchange rates among the above-mentioned currencies. WFS benefits from a natural hedging as the revenue and the operating costs of its subsidiaries are generally denominated in the same currency. However, the fluctuation of currencies against the euro may result in translation risk where the Group financial statements may be significantly impacted.
In addition, some of the currencies the group is exposed to may not be fully convertible or exchangeable or may be subject to exchange controls, which may limit the ability to use or transmit funds within the Group.

On December 31, 2021, the Group does not have any foreign exchange hedging instruments outstanding.

- Interest rate risk

The loans under the Group Revolving Credit Facility and the Floating Rate Notes bear interest at the Euro Interbank Offered Rate ("EURIBOR") for Euro borrowings (LIBOR for borrowings in other currencies), plus a margin, as adjusted periodically. Furthermore, WFS may incur additional indebtedness that bears interest at a floating rate. EURIBOR, LIBOR and/or any other floating interest rate applicable to such indebtedness could rise significantly in the future. To the extent that interest rates were to increase significantly, the Group interest expense would correspondingly increase, thereby reducing its cash flow.

On December 31, 2021, the Group does not have any interest rate hedging instruments outstanding.

- Credit risk

The Group generate a significant portion of its revenue from a comparatively small number of customers. If large contractual partners were to become insolvent, including due to an economic crisis, or if key customers were to halt or curtail their business operations, this could have a material adverse effect on WFS cash flows, financial condition, and results of operations.

The Group cash collection function is performed at local level, where the customer are services and invoiced. However, cash collection is coordinated and monitored at Region level and the cash collection process is ultimately monitored at Group level by senior executives.
Credit risk is managed both on a subsidiary and on the Group level. On the subsidiaries' level, local management is responsible for monitoring outstanding receivables and applying Group instructions with respect to credit risk policy and actions regarding cash collections. The Group has policies in place to ensure credit levels are maintained based on customer specific analyses.
The Group believes that the strict procedures that have been implemented since many years and reinforced after the emergence of the Covid pandemic have resulted in mitigating the credit risk for the Group. References is made to note 6.4 to the financial statements for the analysis of receivables and the provisions taken for uncollectability.

- Liquidity risk

The Group may require additional financing to fund future working capital requirements, to support the growth of the business and/or to refinance debt obligations.
Additional financing, either on a short-term or a long-term basis, and factoring arrangements may not be available to WFS or, if available, may not be on terms favorable to WFS. The Group factoring agreements are only partially committed financing and our Revolving Credit Facility may not be sufficient to meet WFS needs. Factors that could affect WFS ability to procure financing include general economic conditions, changes in demand for airline services and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources.
In addition, in our technical services business, we are typically required to issue performance bonds to our customers to guarantee our performance. Our ability to obtain such performance bonds from financial institutions depends on such institutions' assessment of our overall financial condition, the risks of the services we provide and our experience.

Reference is made to note 6.8 to the financial statements where the maturity of the financial liabilities is analysed.

3.1.29 Non-consolidated companies

The information related to non-consolidated companies is not provided due to their non-materiality.

3.1.30 Financing costs

Financing costs mainly correspond to the arrangement fees in connection with the bond issued in 2018 and to the sale and leaseback transaction of the warehouse in Denmark in 2020.
As required by French GAAP, financing costs are capitalized and amortized over the duration of the debt until maturity (*i.e.,* 2023 for the bond).

3.1.31 Impact of the application of the regulation 2020-01 in 2021

Since 1 January 2021, the Group applied the new regulation 2020-01 impacting mainly the unrealized foreign exchange and factoring recourse accounting treatment.

For the period ending 31 December 2021, unrealized foreign exchange gains and losses are no more included in the financial result in the consolidated income statement. Unrealized foreign exchange losses are recognized in the balance sheet in assets under "Foreign exchange rate differences – Assets" for €0.7 million and unrealized foreign exchange gains are recognized in the balance sheet in liabilities under "Foreign exchange rate differences – Liabilities" for €2.2 million. And a provision for foreign exchange risk of €0.4 million has been recognized in the balance sheet.
For the period ending 31 December 2020, Unrealized foreign exchange gains and losses in the Financial result were respectively financial expenses of €11.5 million.

In the Balance Sheet on 31 December 2021, a recourse factoring debt amount of €17.0 million is offset with the same amount of Trade receivables and related accounts.
Should the regulation 2020-01 had been made in the Balance Sheet on 31 December 2020, Recourse factoring debt and Trade receivables and related accounts would have been offset by €11.3 million.

4. Information relating to the scope of consolidation

The scope of consolidation of the Group on 31 December 2021, is as follows:

Company	Company / Branch	Head office	Consolidation method	% interest	% voting rights
PROMONTORIA HOLDING 264 B.V.	Company	Oude Utrechtseweg 32 - 3743 KN Baarn - The Netherlands	Parent company	100.00%	100.00%
WFS ACQUISITION SAS	Company	7 Bd de la Madeleine - 75001 Paris - France	Full consolidation	100.00%	100.00%
WFS GLOBAL HOLDING SAS	Company	7 Bd de la Madeleine - 75001 Paris - France	Full consolidation	100.00%	100.00%
WFS GLOBAL SAS	Company	7 Bd de la Madeleine - 75001 Paris - France	Full consolidation	100.00%	100.00%
WFS EMEAA HOLDING SAS	Company	7 Bd de la Madeleine - 75001 Paris - France	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES, INC	Company	1925 W. John Carpenter Fwy Suite 450 Irving - Texas 75063 - USA	Full consolidation	100.00%	100.00%
WFS RECEIVABLES FINANCE, LLC	Company	1675 South State Street, Suite B - Dover, Kent County - Delaware 19901 - USA	Full consolidation	100.00%	100.00%
WFS EXPRESS, INC	Company	1925 W. John Carpenter Fwy Suite 450 Irving - Texas 75063 - USA	Full consolidation	100.00%	100.00%
PINNACLE LOGISTICS	Company	111 W. 4th St, Fort Worth - Texas 76102 - USA	Full consolidation	100.00%	100.00%
MERCURY AIR CARGO LLC	Company	6040 Avion Drive - Los Angeles, CA 90045 - USA	Full consolidation	100.00%	100.00%
MERCURY AIR CARGO SERVICES LLC	Company	11001 Aviation Boulevard - Los Angeles, CA 90045 - USA	Full consolidation	100.00%	100.00%
MAC CARGO HANDLING I LLC	Company	944 North Field Road - San Francisco, CA 94128 - USA	Full consolidation	100.00%	100.00%
MAC CARGO SJC LLC	Company	1521 Airport Boulevard - San Jose, CA 95110 - USA	Full consolidation	100.00%	100.00%
INDEPENDENT CARGO SECURITY SCREENING LLC	Company	6040 Avion Drive - Los Angeles, CA 90045 - USA	Full consolidation	100.00%	100.00%
MAYTAG AIRCRAFT LLC	Company	6145 Lehman Drive, Suite 300 - Colorado Springs - Colorado 80918 - USA	Full consolidation	100.00%	100.00%
MAYTAG AIRCRAFT / TK&K LLC	Company	6145 Lehman Drive, Suite 300 - Colorado Springs - Colorado 80918 - USA	Full consolidation	100.00%	100.00%
MAYTAG AIRCRAFT / TK&K SOCIEDAD LIMITADA	Company	88 Calle Claudio Coello - 28006 - Madrid - Spain	Full consolidation	100.00%	100.00%
TETRA TECH-MAYTAG AIRCRAFT CORPORATION JOINT VENTURE	Company	3475 E Foothill Boulevard - Pasadena - California 91107-6024 - USA	Proportionate	50.00%	50.00%
WORLDWIDE FLIGHT SERVICES, INC (VIRGIN ISLANDS BRANCH)	Branch	Worldwide Flight Services Cyril E King Airport 8100 Lindberg #9 St. Thomas - VI 00802 - Virgin Islands	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES, INC (JAMAICA BRANCH)	Branch	Worldwide Flight Services Henry E Rohlsen Airport St. Croix - VI 00850 - Jamaica	Full consolidation	100.00%	100.00%
OXFORD ELECTRONICS, INC	Company	474 Meacham Avenue Elmont - 11003 - USA	Full consolidation	100.00%	100.00%
WFS PG CARGO COMPANY LTD	Company	777 Moo 7, Racha Thewa, Bang Phli - Samut Prakarn 10540 - Thailand	Proportionate	51.00%	51.00%
JET QUAY PTE LTD	Company	60 Airport Boulevard, CIP Terminal - Singapore 819643	Full consolidation	93.13%	93.13%
WORLDWIDE FLIGHT SERVICES, INC (HONG KONG BRANCH)	Branch	Suite 1501A World Wide House, 19 Des Voeux Road Central Hong Kong - China	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES (HONG KONG) LIMITED	Company	Suite 1501A World Wide House, 19 Des Voeux Road Central Hong Kong - China	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES HOLDING SA (HONG KONG BRANCH)	Branch	Suite 1501A World Wide House, 19 Des Voeux Road Central Hong Kong - China	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES FUELING (HONG KONG) LIMITED	Company	18th Floor , Two Chinachem Plaza, 68 Connaught Road Central Hong Kong - China	Full consolidation	100.00%	100.00%
WORLDWIDE CRUISE TERMNALS (HONG KONG) LIMITED	Company	6th Floor, Alexandra House, 18 Chater Road Central Hong Kong - China	Proportionate	60.00%	60.00%
WFS BELGIUM N.V.	Company	Bedrijvenzone Brucargo Gebouw 712 bus 1, 1830 - Machelen - Belgium	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES HOLDING SA	Company	Cargo 6 - 6 Rue du Pave - CS 11546 Tremblay en France - 95709 Roissy CDG - France	Full consolidation	100.00%	100.00%
SOCIETE DE FRET ET DE SERVICES SAS (SFS FRANCE)	Company	Cargo 6 - 6 Rue du Pave - CS 18212 Tremblay en France - 95703 Roissy CDG - France	Full consolidation	100.00%	100.00%
SOCIETE DE FRET ET DE SERVICES SAS (ITALY BRANCH)	Branch	C/O Studio Sangiorgio Via Settembre 4 - 21013 Gallarate VA - Italy	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES GMBH	Company	WFS GmbH Cargo City Süd - Geb. 556 60459 Frankfurt am Main - Germany	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES SERVICIOS AEROPORTUARIOS, S.A.	Company	Centro de Carga Aérea. Aeropuerto Madrid-Barajas. Parcela 1.2b. Edif.WFS - 28042 Madrid - Spain	Full consolidation	100.00%	100.00%
WFS GROUND HANDLING SOLUTIONS SPAIN S.I.	Company	Centro de Carga Aérea. Aeropuerto Madrid-Barajas. Parcela 1.2b. Edif.WFS - 28042 Madrid - Spain	Full consolidation	100.00%	100.00%
WFS SERVICIOS AEROPORTUARIOS PERU S.A.C.	Company	Avenida Canaval y Moreyra, 452, Piso 17 - Lima - Peru	Full consolidation	100.00%	100.00%
WFS SWEDEN AB	Company	Cargo City, Fraktvägen 36 C, 190 60 Stockholm Arlanda - Sweden	Full consolidation	100.00%	100.00%
WFS DENMARK A/S	Company	Kystvejen 32 2770 Kastrup - Denmark	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES HOLLAND B.V	Company	Anchoragelaan 38 1118 LD Schiphol - The Netherlands	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES (IRELAND) LIMITED	Company	Cargo Terminal 3 Corballis Park Dublin Airport - Ireland	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES LIMITED	Company	Building 552 Shoreham Road East, London Heathrow Airport,Hounslow, Middlesex TW6 3UA - UK	Full consolidation	100.00%	100.00%
WFS GROUND HANDLING SERVICES LIMITED	Company	Building 552 Shoreham Road East, London Heathrow Airport,Hounslow, Middlesex TW6 3UA - UK	Full consolidation	100.00%	100.00%
WFS GROUND SOLUTIONS LTD	Company	Building 552 Shoreham Road East, London Heathrow Airport,Hounslow, Middlesex TW6 3UA - UK	Full consolidation	100.00%	100.00%
DUNWOODY AIRLINE SERVICES LTD	Company	Building 70, Argosy Road, East Midlands Airport, Castle Donnington, Derby DE74 2SA - UK	Proportionate	60.00%	60.00%
FRANCE HANDLING SAS (FH)	Company	Cargo 5 - 10 Rue du Pavé - CS 18353 Tremblay en France - 95706 Roissy CDG Cedex - France	Full consolidation	100.00%	100.00%
VERY IMPORTANT ANIMALS ROISSY SAS (VIA)	Company	10 Rue du Pavé - Cargo 5 - BP 13367 Tremblay en France - 95706 Roissy CDG Cedex - France	Full consolidation	100.00%	100.00%
ROISSY HANDLING SAS (RH)	Company	Cargo 5 - 10 Rue du Pavé - BP11431 Tremblay en France - 95707 Roissy CDG Cedex - France	Full consolidation	100.00%	100.00%
R.A.HAND	Company	Cargo 4 - 23-34 rue des Voyelles - Bâtiment n°3520 - Tremblay en France - 93290 - France	Full consolidation	100.00%	100.00%
GLOBAL FREIGHT SERVICES (GFS)	Company	Cargo 5 - 10 Rue du Pavé - CS 18353 Tremblay en France - 95706 Roissy CDG Cedex - France	Full consolidation	100.00%	100.00%
GLOBAL SERVICE HANDLING SAS (GSH)	Company	24 Route du Midi - Cargo 4 - BP 17125 Tremblay en France - 95701 Roissy CDG - France	Proportionate	49.25%	49.25%
WFS ACADEMY (AIRPORT COLLEGE)	Company	Cargo 5 - 10 Rue du Pavé - CS 12174 Tremblay en France - 95706 Roissy CDG Cedex - France	Full consolidation	100.00%	100.00%
DEDICATED FREIGHT SERVICES SAS	Company	10 rue du Pavé - Aeroport CDG - Zone de Cargo 5 - 93290 Tremblay en France - France	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES (ASIA AFRICA HOLDINGS), LIMITED	Company	6th Floor, Alexandra House, 18 Chater Road - Central Hong Kong - China	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES (SOUTH AFRICA) PTY LIMITED	Company	No.3 Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Gauteng, 1609 - South Africa	Proportionate	60.00%	60.00%
EUROPEAN FLIGHT SERVICES SAS (EFS)	Company	Cargo 6 - 6 Rue du Pave - CS 16276 95704 Roissy CDG - France	Full consolidation	100.00%	100.00%
CONNECTING FLIGHT SERVICES SAS (CFS)	Company	Cargo 6 - 6 Rue du Pave - CS 16276 95704 Roissy CDG - France	Full consolidation	100.00%	100.00%
AQUARAILE SERVICES SAS (AAS)	Company	Cargo 6 - 6 Rue du Pave - CS 16276 95704 Roissy CDG - France	Full consolidation	100.00%	100.00%
CONNECTING GROUND SERVICES SAS (CGS)	Company	Cargo 6 - 6 Rue du Pave - CS 16276 95704 Roissy CDG - France	Full consolidation	100.00%	100.00%
BAG GROUND SERVICES SAS (BGS)	Company	Cargo 6 - 6 Rue du Pave - CS 16276 95704 Roissy CDG - France	Full consolidation	100.00%	100.00%
AIRPORT RAMP SERVICES SAS (ARS)	Company	Cargo 6 - 6 Rue du Pave - CS 16276 95704 Roissy CDG - France	Full consolidation	100.00%	100.00%
ORBITAL SERVICOS AUXILIARES DE TRANSPORTE AEREO LTDA	Company	Avenida Helio Smidt, S/N-Terminal 01 - Asa B-Mezanino - Caixa Postal 3032 - Aeroporto Internacional de Guarulhos - Guarulhos - Estado de of São Paulo - Brazil	Full consolidation	80.00%	80.00%
WFS BRASIL INVESTIMENTOS E PARTICIPACOES LTDA	Company	Avenida Paulista, 854 – 10th floor – Bela Vista, 70712-900 São Paulo, State of São Paulo - Brazil	Full consolidation	100.00%	100.00%
WFS ITALIA SRL	Company	Via Gabriele d'Annunzio 2, 21010 Vizzola Ticino (VA) - Italy	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES MIDDLE EAST FZE	Company	Suite 4A614, 4EA (East Wing), Dubai Airport Free Zone, Dubai - United Arab Emirates	Full consolidation	100.00%	100.00%
FCS FRANKFURT CARGO SERVICES GMBH	Company	building 178, 60547 Frankfurt am Main - Germany	Proportionate	51.00%	51.00%
CARGO AIRPORT SERVICES CANADA INC	Company	3700 – 1 Place Ville-Marie, Montreal, Quebec H3B 3P4 - Canada	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES HOLDINGS, INC	Company	1925 W. John Carpenter Fwy Suite 450 Irving - Texas 75063 - USA	Full consolidation	100.00%	100.00%

Changes in scope of consolidation are described in Note 3.1.4.

5. Income statement main items

5.1 Revenue

Consolidated revenue by geographical area and sector

Revenue breaks down by geographical area as follows:

In thousands of euros	31/12/2021	31/12/2020
South Africa	4,599	2,783
Germany	55,092	44,183
UK	79,036	63,837
Brazil	49,814	35,300
Belgium	43,588	21,293
Canada	6,557	6,437
Denmark	20,087	18,183
Spain	69,099	52,671
USA	740,380	543,517
France	225,415	204,204
Hong-Kong	18,081	23,158
Ireland	9,151	6,856
Italy	8,917	2,874
Netherlands	34,743	25,473
Singapore	1,053	1,206
Sweden	2,616	2,954
Thailand	28,848	25,882
Total per geographical area	**1,397,075**	**1,080,810**

Revenue breaks down by Regions and business units as follows:

In thousands of euros	31/12/2021	31/12/2020
North America - Cargo	593,513	430,206
North America - Ground	115,604	84,497
North America - Technical	37,819	35,250
North America	746,936	549,954
South America - Ground	49,814	35,300
South America	49,814	35,300
EMEAA - Cargo	527,397	412,527
EMEAA - Ground	72,927	83,029
EMEAA	600,325	495,556
Total per sector	**1,397,075**	**1,080,810**

5.2 Depreciation, amortisation, and provisions

Depreciation, amortisation, and provisions are detailed as follows:

In thousands of euros	Note	31/12/2021	31/12/2020
Amortisation & depreciation of intangible and tangible assets		(58,299)	(63,218)
Net changes to provisions for contingencies		(3,406)	1,912
Net depreciation charges on current assets		2,253	(9,367)
Net changes to provisions for retirement and other employee benefits		(7,822)	(1,231)
Net changes to provisions		(8,975)	(8,686)
Goodwill impairment	6.1.1	-	(72,278)
Total		**(67,274)**	**(144,182)**

For the period ending December 31, 2021, amortisation & depreciation of intangible and tangible assets included €(55.8) million in the Field Expenses and Operating Overheads and €(2.5) million in the Other operating income and expenses.
For the period ending December 31, 2021, the net change to provisions included €(11.6) million in the Field Expenses and Operating Overheads and €2.6 million in the Other operating income and expenses.
For the period ending December 31, 2021, the net change in provisions for contingencies included notably the US worker's compensation provision for €(2.8) million, Aircraft damage for €(2.4) million and cargo claim for €(0.5) million. And a reversal of €2.6 million of the provision booked to cover costs expected related to the subsidiaries placed into administration that has been used during the period.
For the period ending December 31, 2021, the net change in provisions for impairment of assets included notably the reversal of the Latam bad debts provisions for €3.8 million. €(2.0) million of provision for bad debt consecutively to the suspension of all operations of the Brazilian airline company Itapemirim Transportes Aéreos.

For the period ending December 31, 2020, the net change in provisions for contingencies included notably a 4.6 million euros reversal of the provision for early retirement that have been used during the period. And a provision of 2.6 million euros has been booked to cover costs expected related to the subsidiaries placed into administration (see note 2.4).
For the period ending December 31, 2020, the net depreciation charges on current assets included notably bad debts provisions of 8.7 million euros: 4.1 million euros of for Latam, 1.8 million euros related to the deconsolidation of CBS (see note 2.4), 1.1 million euros for Avianca and 1.0 million euros for Flybe.

5.3 Financial income and expenses

Financial income/(expense) are detailed as follows:

In thousands of euros	31/12/2021	31/12/2020
Foreign exchange gains	1,738	725
Other financial income	1,847	1,695
Capital gains on share disposals	4,347	11,125
Total financial income	**7,932**	**13,545**
Foreign exchange losses	(1,783)	(13,606)
Other financial expenses	(16,630)	(14,200)
Impairment of current and non-current financial assets	(995)	(3,534)
Financial expenses on borrowings	(53,160)	(52,690)
Total financial expenses	**(72,568)**	**(84,031)**
Net financial income/(expense)	**(64,636)**	**(70,486)**

For the period ending December 31, 2021, the capital gains on share disposals corresponds to the deconsolidation of BFS for €3.8 million (see note 3.1.4).

For the period ending December 31, 2020, the capital gains on share disposals corresponds to the deconsolidation of CBS for €10.0 million (see note 3.1.4).

5.4 Extraordinary items income/(expense)

The extraordinary items income/(expense) correspond to the cost that are not related to the normal course of the business of the Group.

In thousands of euros	31/12/2021	31/12/2020
France Ground - Social charges relief	1,820	-
Gain & loss on fixed asset disposal	1,535	(172)
Total extraordinary items income/(expense)	**3,355**	**(172)**

On December 31, 2021, the gain on fixed asset disposal includes an indemnity of €2.9 million received by WFS Belgium in January 2021 for the early termination of an operating lease contract for facilities at Brussels airport and a loss on disposal of €(1.2) million, for a net impact of €1.7 million. In addition, legal and other direct costs linked to this operation of €(0.2) million have been booked in Field Expenses and Operating Overheads.
The net impact of WFS Belgium early termination on the operating lease contract for facilities at Brussels airport amount to €1.5 million.
On 31 December 2021, the Group received from URSSAF a relief of €1.8 million related to 2020 social charges of France Ground companies.

5.5 Income tax expense

Net income tax expense breaks down as follows:

In thousands of euros	31/12/2021	31/12/2020
Current tax	(24,646)	(7,474)
Deferred tax	9,499	13,893
Income tax income/(expense)	**(15,147)**	**6,419**

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the theoretical tax rate applicable to profits of the consolidated companies as follows:

In thousands of euros	31/12/2021	31/12/2020
Net income/(loss) - Group share	69,563	(143,633)
Total income tax income/(expense) (current & deferred)	(15,147)	6,419
Taxable income	**84,710**	**(150,052)**
Standard CIT rate	25.00%	25.00%
Theoretical taxable income/(expense)	**(21,178)**	**37,513**
Difference from standard rate (parent cy) / foreign rate	**6,286**	**6,149**
Permanent differences [(1)]	**7,342**	**(20,434)**
Recovery of temporary differences that were not recognized as deferred taxes	(2,456)	(21,600)
Tax expense / (income) booked as top entries	855	
Change in unrecognized temporary differences (incl. Tax losses carried forward)	**(1,601)**	**(21,600)**
Lump sum taxes, suppl. taxes, prov. corp. IT and Tax on foreign subsidiaries	(8,777)	-
Tax credits and other tax reductions (born within the year)	373	-
Tax savings (or charge) related to group tax consolidation	1,495	(338)
Others	913	5,129
Total tax rate differences	**(5,996)**	**4,791**
Total recomputed tax income/(expense)	**(15,147)**	**6,419**
Total recognised tax income/(expense)	**(15,147)**	**6,419**
Effective tax rate	**17.88%**	**4.28%**

(1) *On 31 December 2021, Permanent differences are mainly financial charges limitation for €8.3 million and Deconsolidation of BFS.*

On 31 December 2020, Permanent differences are mainly goodwill impairment for €(18.1) million and financial charges limitation for €11.6 million and Deconsolidation of CBS.

Deferred taxes break down as follows:

In thousands of euros	31/12/2021	31/12/2020
Opening	**(44,505)**	**(60,468)**
Deferred tax income/(loss) - P&L impact	9,499	13,676
Change in consolidation scope	-	217
Forex impact	(295)	2,071
Deferred tax assets	**3,472**	**2,713**
Deferred tax liabilities	**(38,773)**	**(47,217)**
Closing	**(35,301)**	**(44,505)**

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset in the balance sheet for presentation purpose.

Deferred taxes by nature break down as follows:

In thousands of euros	31/12/2021	31/12/2020
Tax losses carried forward	17,336	47,413
Non-deductible provisions	5,450	5,509
Finance lease adjustements	(1,993)	(2,262)
Tangible and intangible fixed assets	(3,554)	(3,979)
Retirement obligations & others advantages	6,928	4,136
Deferred tax liabilities related to PPA	(64,081)	(89,107)
Other temporary differences	4,612	(6,215)
TOTAL	**(35,301)**	**(44,505)**

For the period ending December 31, 2021, a total amount of €17.3 million has been recognized as tax losses carried forward in the net deferred tax assets.

For the period ending December 31, 2020, a total amount of €47.4 million has been recognized as tax losses carried forward in the net deferred tax assets.

6. Balance sheet main items

6.1 Intangible assets

6.1.1 Goodwill

EMEAA Cargo and EMEAA Ground businesses have been regrouped as one Cash Generating Unit ("CGU") reflecting an organization finalized in 2021 in which both activities operate under the supervision of one General Management team acting in unity for operational, commercial, and strategic decision-making matters.

Goodwill by cash generating units (CGU) is detailed below:

In thousands of euros	31/12/2020			31/12/2021				
	Gross value	Impairment	Net	Acquisition	Effect of BFS deconsolidation	Gross value	Impairment	Net
EMEAA	429,450	(91,668)	337,782	4,189	(2,358)	431,281	-	339,613
North America	202,392	(64,018)	138,374	278,870		481,262	-	417,244
South America	18,857	(12,932)	5,925			18,857	-	5,925
Total	**650,699**	**(168,618)**	**482,081**	**283,059**	**(2,358)**	**931,400**	**-**	**762,782**

Historic Breakdown of EMEAA Goodwill prior to the regrouping mentioned above:

In thousands of euros	Gross value after PPA	Effect of Orly deconsolidation	Impairment	Net 2019.12	Effect of CBS deconsolidation	Impairment	Net 2020.12
EMEAA Cargo	352,162			**352,162**		(31,975)	**320,187**
EMEAA Ground	99,179	(19,700)	(44,147)	**35,332**	(2,191)	(15,546)	**17,595**
EMEAA	**451,341**	**(19,700)**	**(44,147)**	**387,494**	**(2,191)**	**(47,521)**	**337,782**

In millions of euros	Promontoria Holding 264 B.V.
Goodwill Gross value as of December 2019	**652.9**
CBS deconsolidation effect	(2.2)
Goodwill Gross value as of December 2020	**650.7**
BFS deconsolidation effect	(2.4)
Mercury Air Cargo, Inc. and Maytag Aircraft Corporation	217.1
Pinnacle Logistics acquisition effect	61.8
CBS partial business acquisition effect	3.1
R.A.Hand acquisition effect	1.1
Goodwill Gross value as of December 2021	**931.4**

On 31 December 2019, the goodwill decreased by €19.7 million on EMEAA as a result of the deconsolidation of the Orly operations.
On 31 December 2019, the impairment test resulted to an impairment of the goodwill of 96,340 thousand euros.

On 31 December 2020, the goodwill decreased by €2.2 million on EMEAA as a result of the deconsolidation of CBS (see note 2.4).
On 31 December 2020, the impairment test resulted to an impairment of the goodwill of 72,278 thousand euros.

On 31 December 2021, the goodwill decreased by €2.4 million on EMEAA as a result of the deconsolidation of BFS (see note 2.4). The increase of €283.1 million resulted to the acquisition of R.A.Hand (see note 2.7), assets and liabilities related to the former CBS business (see note 2.4), Pinnacle Logistics (see note 2.6) and the Mercury Business (see note 2.8).
On 31 December 2021, the impairment test has not resulted to an impairment of the goodwill.

The Group conducted analysis to assess the cost value based on the contemplated use by the company of acquired intangible and tangible assets, deferred tax, and contingent liabilities.

Impairment tests were carried out using the methods detailed in note 3.1.7 of the accounting policies. The key model assumptions used, such as the discount rate, take into account the global economic context.
The long-term growth rates used for estimating the cash flows of cash-generating units or groups of cash-generating units were lower than the Group's historical average growth rates. Growth rates are comprised between 1.5% and 2.2% in mature markets, and up to 3.0% in emerging markets.
The weighted average cost of capital ("WACC") used was 10.3% on 31 December 2021 (12.2% on 31 December 2020). The WACC is adjusted for the activity and the geographical location of the cash-generating units being tested.

A number of specific assumptions have been retained for preparing the Group business plan used for testing the Group Goodwill, notably the integration of the Pinnacle and Mercury Businesses and the renewal of the concession in Thailand in 2026.
Revenues and costs forecasts are based on reasonable hypothesis and are the management's best estimates. They are subject to the uncertainties related to the current situation.

In accordance with these assumptions, the Group forecasts a return to the level of 2019 activity in 2022 for cargo business. The recovery for ground handling excluding discontinued activities will be achieved by 2025 considering conservative pricing assumptions and adverse foreign exchange impact.

Sensitivity test on basis of the impairment test 2021

Headroom margin in the impairment test in €M	**LTGR -0,5%**	**LTGR**	**LTGR +0,5%**
WACC +1%	566.4	640.8	723.7
WACC	779.0	875.0	983.4
WACC -1%	1,047.3	1,174.7	1,321.3

Sensitivity test on basis of the impairment test 2020

Headroom margin in the impairment test in €M	**LTGR -0,5%**	**LTGR**	**LTGR +0,5%**
WACC +1%	(190.9)	(162.5)	(131.5)
WACC	(107.3)	(72.3)	(33.6)
WACC -1%	(6.2)	38.0	87.3

6.1.2 Other intangible assets

Other intangible assets are detailed below:

In thousands of euros	31/12/2020	Increase	Decrease	Change in consolidation scope	Forex impact	Reclassification	31/12/2021
R&D costs	-	-	-	-	-	-	-
Patents, licences and equivalent	346,721	-	-	-	9,928	-	356,649
Computer software	23,983	268	(6)	77	1,541	55	25,918
Intangible rights under concession contracts	56,534	-	-	-	(1,390)	-	55,144
Other intangible assets	8,759	313	-	-	67	(313)	8,826
Gross intangible assets	**435,997**	**581**	**(6)**	**77**	**10,146**	**(258)**	**446,537**
R&D costs	-	-	-	-	-	-	-
Patents, licences and equivalent	(47,331)	(17,837)	-	-	(1,621)	-	(66,788)
Computer software	(21,613)	(1,146)	6	(54)	(1,448)	-	(24,254)
Intangible rights under concession contracts	(15,900)	(6,860)	-	-	358	-	(22,402)
Other intangible assets	(4,268)	(996)	-	-	(33)	-	(5,297)
Amortisation	**(89,112)**	**(26,839)**	**6**	**(54)**	**(2,744)**	**-**	**(118,742)**
Net intangible assets	**346,885**	**(26,258)**	**-**	**23**	**7,403**	**(258)**	**327,795**

The Change in scope corresponds to the effect of the acquisition of R.A.Hand mentioned in note 2.7.

Patents, licences, and equivalent are detailed below:

	31/12/2020	Amortisation	Forex and Reclassification	31/12/2021
Customer relationships	307,908	-	9,928	317,836
Trademark	33,304	-	-	33,304
Ground licence	5,464	-	-	5,464
Other	45	-	-	45
Gross Patents, licences and equivalent	**346,721**	**-**	**9,928**	**356,649**
Customer relationships	(46,168)	(17,713)	(1,621)	(65,501)
Trademark	-	-	-	-
Ground licence	(1,118)	(124)	-	(1,242)
Other	(45)	-	-	(45)
Amortisation	**(47,331)**	**(17,837)**	**(1,621)**	**(66,788)**
Patents, licences and equivalent	**299,391**	**(17,837)**	**8,307**	**289,861**

6.2 Tangible assets

Tangible assets are detailed below:

In thousands of euros	31/12/2020	Increase	Decrease	Change in consolidation scope	FOREX impact	Reclassification	31/12/2021
Buildings	73,366	1,917	(3,511)	-	1	-	71,772
Technical equipment & tooling	146,494	10,864	(11,425)	22,611	7,368	2,234	178,146
Assets held under finance leases	109,851	3,351	(14,709)	-	1,494	(294)	99,693
Other tangible assets	104,256	8,994	(3,664)	2,585	4,375	5,643	122,188
Tangible assets under construction	5,449	10,684	-	2,278	323	(6,619)	12,115
Gross tangible assets	**439,416**	**35,809**	**(33,310)**	**27,475**	**13,561**	**963**	**483,914**
Buildings	(50,148)	(3,682)	3,511	-	(0)	-	(50,319)
Technical equipment & tooling	(101,655)	(14,070)	9,961	564	(4,087)	344	(108,944)
Assets held under finance leases	(69,040)	(4,575)	13,640	-	(1,065)	(199)	(61,240)
Other tangible assets	(74,528)	(9,132)	3,284	(357)	(3,026)	(44)	(83,803)
Tangible assets under construction	-	-	-	-	-	-	-
Depreciation	**(295,371)**	**(31,460)**	**30,396**	**207**	**(8,179)**	**101**	**(304,306)**
Net tangible assets	**144,045**	**4,349**	**(2,913)**	**27,682**	**5,382**	**1,064**	**179,608**

The Change in scope corresponds to the effects of the acquisition of Pinnacle Logistics, R.A.Hand and the Mercury Business (see notes 2.6, 2.7 and 2.8), and the deconsolidation of BFS (see note 2.4).

Assets under finance lease break down as follows:

In thousands of euros	31/12/2020	Increase	Decrease	Changes in consolidation scope	FOREX impact	Reclassification	31/12/2021
Buildings held under finance leases	83,346	3,019	(16,452)	-	11	(278)	69,646
Technical equipment & tooling held under finance leases	25,645	975	(58)	-	1,406	-	27,968
Other tangible assets held under finance leases	860	1,158	-	-	78	(17)	2,079
Gross assets held under finance leases	**109,851**	**5,152**	**(16,510)**	**-**	**1,494**	**(294)**	**99,693**
Buildings held under finance leases	(50,121)	(3,711)	13,582	-	(4)	(6)	(40,260)
Technical equipment & tooling held under finance leases	(18,639)	(643)	58	-	(1,042)	(205)	(20,470)
Other tangible assets held under finance leases	(280)	(222)	-	-	(19)	12	(509)
Depreciation	**(69,040)**	**(4,575)**	**13,640**	**-**	**(1,065)**	**(199)**	**(61,240)**
Net assets held under finance leases	**40,812**	**577**	**(2,870)**	**-**	**429**	**(494)**	**38,453**

6.3 Financial assets

Long-term investments are mainly composed of deposits and guarantees, with the remaining balance consisting of non-consolidated securities.

In thousands of euros	31/12/2020	Increase	Decrease	Change in consolidation scope	Forex impact	Reclassification	31/12/2021
Non consolidated companies	21,868	62	(3)	441	(2)	-	22,366
Deposits and guaranties	16,258	14,940	(3,383)	771	1,345	932	30,862
Accrued interests on Deposits and guaranties	176	-	(8)	-	(4)	-	164
Tax credit receivable (CICE) net from prefinancing	448	-	(242)	-	-	-	206
Gross financial assets	**38,750**	**15,002**	**(3,636)**	**1,212**	**1,340**	**932**	**53,599**
Non consolidated companies	(21,856)	(442)	-	(0)	1	-	(22,296)
Deposits and guaranties	(1,359)	19	-	-	-	-	(1,340)
Accrued interests on Deposits and guaranties	-	-	-	-	-	-	-
Provisions	**(23,215)**	**(423)**	**-**	**(0)**	**1**	**-**	**(23,636)**
Net financial assets	**15,535**	**14,579**	**(3,636)**	**1,212**	**1,341**	**932**	**29,962**

The non-consolidated companies are the deconsolidated entities CBS, BFS, OFS and OPS mentioned in note 2.4.

6.4 Operating receivables

In thousands of euros	Gross	Provisions	Net	Net
Trade receivables and related accounts [(1)]	209,004	(14,897)	194,107	148,532
Receivables on operating tangible asset disposals	221	-	221	204
Affiliates - tax consol. current accounts	56	-	56	1
Receivables from the State - CIT	22,111	-	22,111	9,969
Other tax and employee receivables	18,528	-	18,528	13,552
Other operating receivables	11,228	-	11,228	8,644
Advances and prepayments	1,451	-	1,451	1,241
Trade receivables and related accounts (I)	**262,599**	**(14,897)**	**247,702**	**182,142**
Financial receivables	23,412	-	23,412	23,082
Financing costs	18,303	-	18,303	30,993
Financial asset current accounts [(2)]	21,871	(19,600)	2,271	3,060
Other receivables	63,587	(19,600)	43,987	57,135
Prepaid expenses & deferred charges	18,056	-	18,056	12,334
Other receivables & prepayments (II)	**81,643**	**(19,600)**	**62,043**	**69,468**
Total (I+II)	**344,242**	**(34,497)**	**309,745**	**251,610**

On 31 December 2021, Recourse factoring debt amounted for €17.0 million has been reclassified from Other borrowings to Trade receivables and related accounts.

The variation between December 31, 2020, and December 31, 2021, of trade receivables included forex effect of €7.8 million.

(1) The depreciation on trade receivables reported in December 2021 accounts for €14.9 million and relates mainly to:

- A provision for bad debt recorded in 2020 for an amount of €8.5 million, notably related to LATAM, Avianca, Interjet, those airlines failures being direct consequences of the Covid crisis. The Latam bad debts provisions were reversed, leading to a non-recurring income of €3.8 million during Q3 2021.

- A provision for bad debt recorded in December 2019 for an amount of €1.5 million consecutively to the liquidation of the Indian airline company Jet Airways (India) Limited.

- A provision for bad debt recorded in December 2021 for an amount of €2.0 million consecutively to the suspension of all operations of the Brazilian airline company Itapemirim Transportes Aéreos on 17 December 2021.

- A provision for bad debt recorded for an amount of €3.1 million (€1.8 million on 31 December 2020) consecutively to deconsolidation of CBS (see note 2.4).

- A provision for bad debt recorded in 2020 for an amount of €1.0 million consecutively to the liquidation of the British airline company FlyBe.

(2) The depreciation on financial assets current accounts reported in December 2021 accounts for €19.6 million corresponds to the accounts with the Orly entities (€9.7 million), CBS (€9.7 million) and WFS Airport Solutions (€0.2 million) considered as third party consecutively to their deconsolidation (see note 3.1.4).

Receivables mature as follows:

In thousands of euros	**31/12/2021**	**31/12/2020**
Less than 1 year	304,789	248,922
More than 1 year	4,956	2,688
More than 5 years	-	-
Total	**309,745**	**251,610**

The Group reviews the recoverability of receivables and verifies that unprovided receivables maturing in over one year do not present any recovery issues.

6.5 Shareholders' equity

Changes in shareholders' equity are shown below:

In thousands of euros	Share capital	Share premium	Consolidated reserves	Translation reserves	Net income/(loss) for the period	Minority interests	Total shareholders' equity
As at 31/12/2019	**0**	**506,411**	**(46)**	**10,913**	**(147,898)**	**(2,377)**	**367,004**
Capital increase	-	(10)	-	-	-	1,611	**1,601**
Appropriation of net income/(loss)	-	-	(147,898)	-	147,898	-	**-**
Dividends paid to minority interests (Orbital)	-	-	-	-	-	(1,226)	**(1,226)**
Translation differences	-	-	-	(17,917)	-	(436)	**(18,353)**
Other	-	-	2	-	-	0	**2**
Net income/(loss) for the period	-	-	-	-	(143,633)	(1,971)	**(145,604)**
As at 31/12/2020	**0**	**506,401**	**(147,942)**	**(7,004)**	**(143,633)**	**(4,398)**	**203,424**
Capital variation	-	1,690	-	-	-	(1)	**1,689**
Appropriation of net income/(loss)	-	-	(143,633)	-	143,633	-	**-**
Change in scope	-	-	(0)	-	-	-	**(0)**
Translation differences	-	-	-	11,224	-	10	**11,234**
Other	-	-	(92)	-	-	1	**(91)**
Net income/(loss) for the period	-	-	-	-	69,561	205	**69,766**
As at 31/12/2021	**0**	**508,091**	**(291,667)**	**4,220**	**69,561**	**(4,650)**	**285,555**

Following the CRC99-02 rule, the minority interests negative is reclassified in the Group shareholders' equity in the balance sheet presentation.

Capital decrease:
On 10 February 2020, Promontoria Holding 264 B.V. repaid an amount of 10 thousand euros to its parent company as a redemption of share premium, thus reducing its shareholders' equity by the same amount. The capital decrease had no impact on the number of existing shares.

Capital increase:
On 14 October 2021, a cash wire transfer in the amount of 1,690 thousand euros as share premium was made by the parent company to Promontoria Holding 264 B.V. The capital increase had no impact on the number of existing shares.

On 31 December 2021, the share premium amounts to 508,091 thousand euros.

The ownership of Promontoria Holding 264 B.V. share capital is shown below:

	As at 31/12/2021
Promontoria Holding 263 B.V.	100.0%
TOTAL	**100.0%**

6.6 Provisions

In thousands of euros	31/12/2020	Increase	Reversal used	Reversal unused	Other (Forex and Change in scope)	31/12/2021
Provisions for retirement benefits	13,803	7,965	(152)	-	(1,695)	19,921
Provisions for other employee benefits	466	96	(201)	-	3	363
Provisions for litigation	4,726	4,287	(1,401)	(462)	1,654	8,804
Provisions for other contingencies	27,790	38,742	(36,469)	(1,348)	2,475	31,189
Provisions for foreign exchange risks	(0)	380	-	-	-	380
Total	**46,784**	**51,090**	**(38,224)**	**(1,810)**	**2,437**	**60,657**
Less than 1 year	31,853					39,557
More than 1 year	14,931					21,100

The Change in scope corresponds to the effects of the acquisition of Pinnacle Logistics for €3.8 million (€1.9 million impacting provisions for litigations and €1.9 million impacting provisions for other contingencies) and the deconsolidation of BFS for €(1.6) million impacting provisions for retirement benefits.

- The increase of the provisions for retirement benefits is mainly driven by the integration of the new French companies Connecting Flight Services (see note 2.4) and R.A.Hand (see note 2.7).
- The provisions for litigation include mainly cargo claims for €2.6 million and HR litigation for €1.4 million. The provision of €1.3 million for customs litigation in Belgium (including potential civil and criminal fines related to facts having occurred in 2015 and 2016) that has been used during the period as the case was settled.
- The provisions for other contingencies include notably the US worker's compensation provision for €20.7 million, other HR litigations risk provisions for €3.9 million, Aircraft damage provisions for €3.8 million, a provision of €2.6 million (€2.6 million on 31 December 2020 totally used during the period) related to the subsidiaries placed into safeguard and into administration (see note 2.4), US medical costs provision for €1.6 million.

  The increase and reversal used of the provisions for other contingencies is mainly driven by US medical costs, US worker's compensation and US aircraft damage provisions: increase of €34.7 million and reversal used of €(29.1) million.

Defined benefit schemes

The Group's main defined benefit pension schemes are in France and Thailand:

- France: all employees with a permanent employment contract are covered by the statutory retirement termination payment scheme which provides for a one-off payment on retirement. This scheme is partially funded by insurance contracts.
- Thailand: certain employees are entitled when leaving their employer to a termination payment based on seniority.

The other main employee benefit plans are as follows:

- The United States: employees may benefit from a healthcare plan covering workplace accidents (recognized as other contingencies).
- In most countries, employees are also covered by defined contribution schemes under which the Group has no obligation other than the payment of contributions.

The provision for defined benefit pension schemes breaks down as follows:

in thousands of euros	31/12/2021	31/12/2020
France	18,244	12,332
Thailand	1,446	1,247
Germany	231	224
Provisions for retirement benefits	**19,921**	**13,803**
United States(*)	20,709	14,609
Total	**40,630**	**28,412**

(*) Healthcare plan covering workplace accidents

The following tables provide a breakdown of the expense, and the balance sheet accounts for retirement termination payments in France.

The expense breaks down as follows for the period ended 31 December 2021 and 31 December 2020:

in thousands of euros	**31/12/2021**	**31/12/2020**
Current service cost	1,057	1,383
Interest expense	69	184
Actuarial gains and losses arising during the period	149	613
Expected return on plan assets	-5	-10
Total expense	**1,270**	**2,171**

Changes in the defined provision in France comprised:

in thousands of euros	**31/12/2021**	**31/12/2020**
Opening provision	**12,332**	**12,862**
Change in the scope of consolidation	3,783	-2,561
Current service cost	1,057	1,383
Interest expense	69	184
Actuarial gains and losses	1,021	865
Adjustment of opening provision post-closing	-	-251
Benefits paid	32	-173
Other	-52	22
Closing provision	**18,244**	**12,332**

Provision recognized in the accounts:

in thousands of euros	**31/12/2021**	**31/12/2020**
Defined benefit obligation	20,018	16,716
Fair value of plan assets	-681	-1,180
Funded status	**19,337**	**15,536**
Past service costs not recognized	-	-
Surplus not recognized	-1,093	-3,204
Provision recorded	**18,244**	**12,332**

In France, actuarial gains, and losses (mainly due to the change in assumption on the discount rate) in absolute value at 10% of the actuarial liability are amortized over a 10-year period in the future. The amortization period of the 10-year actuarial difference is less than the average residual life expectancy of employees on 31 December 2021, this results from a choice of management.

The discount rate is determined based on high-quality corporate bond yields in the euro zone.

	31/12/2021	31/12/2020
Discount rate	0.90%	0.40%
Rate of salary increase (including inflation)		
Less 30 years old	3.00%	3.00%
Between 30-39 years old	2.50%	2.50%
Between 40-49 years old	2.00%	2.00%
More than 50 years old	1.50%	1.50%
Expected return on plan assets	0.40%	0.80%

On 31 December 2020, and on 31 December 2021, the data from French companies are as follows:

	Categories			Group
	Executive, managerial and corporate staff	Employee staff	Technical staff	
Headcount	196	1,818	279	**2,293**
Average age	50	46	49	**47**
Average seniority	19	15	22	**16**
Annual payroll	18,235,567	58,825,569	12,636,338	**89,697,474**
Annual average wages	93,039	32,357	45,292	**39,118**

		Categories		
		Executive, managerial and corporate staff	Employee staff	Technical staff
Age	Minimum	29	20	24
	Medium	50	46	49
	Maximum	69	71	66
Seniority	Minimum	0	0	1
	Medium	19	15	22
	Maximum	42	47	45
Age on recruitment	Minimum	18	18	18
	Medium	31	31	27
	Maximum	58	61	49
Annual wages	Minimum	18,585	6,158	21,300
	Medium	93,801	31,854	45,213

The United States Workers' Compensation plan

The estimated reserve on 31 December 2021 is €20.7 million, consisting of €10.8 million of case reserves and €9.9 million of incurred-but-not-reported loss amounts (IBNR).

The estimated reserve has been assessed based on an external actuarial report.

6.7 Other provisions for contingencies and losses

To the best of management's knowledge, there are no exceptional items or litigation likely to have a material impact on the Group's activities, results, assets, or financial position that have not been adequately provided or detailed in the Notes to the accounts, based upon the latest available update of the relevant situations.

6.8 Financial liabilities and net borrowings

In thousands of euros	31/12/2020	Increase	Decrease	Forex impact	Other: Scope effect & Reclassification [1]	31/12/2021
Secured Bonds [2]	660,000	225,000	-	-	-	885,000
Accrued interests on secured bonds	12,201	394	-	-	-	12,595
Revolving Credit Facility	70,000	25,436	(95,436)	-	-	-
Accrued interests on Revolving Credit Facility	-	-	-	-	-	-
Other bank borrowings	36,028	31,737	(7,202)	3,269	3,530	67,361
Finance lease borrowings	43,226	9,564	(3,385)	1,081	2,296	52,782
Other borrowings [1]	44,374	-	-	3,088	(6,241)	41,220
Financial current account liabilities	4,642	-	(661)	0	702	4,683
Bank overdraft	6	41	-	45	534	625
I – Total borrowings	**870,476**	**292,172**	**(106,684)**	**7,482**	**821**	**1,064,268**
Financial receivables	4,910	119	(43)	95	-	5,081
Financial current account assets	3,060	16,184	(12,479)	10	(4,503)	2,271
Marketable securities	2,084	-	(2,022)	(61)	-	1
Cash and cash equivalents	183,858	-	(32,538)	6,583	632	158,534
II – Financial assets	**193,911**	**16,303**	**(47,082)**	**6,627**	**(3,871)**	**165,887**
Net borrowings (I - II)	**676,565**	**275,870**	**(59,602)**	**855**	**4,693**	**898,381**

(1) *On 31 December 2021, Recourse factoring historically accounted for as a debt has been derecognized for an amount of €17.0 million from Trade receivables and related accounts as required by the regulation 2020-01 of the French Gaap standards which requires to follow the legal form of the transaction but not its substance. Trade receivables are derecognized from the balance sheet due to the transfer of ownership.*

(2) *In December 2021, the Group contracted a €225 million bridge facility (Pari passu with the Senior Secured Notes) maturing in December 2022 to finance the acquisition of the Mercury business. (See note 2.8)*

In thousands of euros	Interest rate	Maturity	31/12/2021	31/12/2020
Senior Secured Notes 2023	6.75%	August 23	400,000	400,000
Senior Secured Floating Rate Notes 2023	EURIBOR + 6.25%	August 23	260,000	260,000
Acquisition Bridge loan	EURIBOR + 7.00%	Dec 2022	225,000	-
Secured Bonds			885,000	660,000
Accrued interests on secured bonds			12,201	12,201
Accrued interests on acquisition bridge loan			394	-
Revolving Credit Facility	IBOR + 3.25%	April 2023	-	70,000
Accrued interests on RCF			-	-
Finance-lease borrowings			52,782	43,226
Other bank borrowings			67,361	36,028
Total long-term borrowings			**1,017,739**	**821,454**

Secured bonds and RCF are labelled in Euros.

The debt maturity schedule is as follows:

In thousands of euros	31/12/2021	< 1 year	>1 year < 2 years	>2 years < 3 years	>3 years < 4 years	> 4 years < 5 years	>5 years < 10 years	> 10 years
Secured Bonds	885,000	225,000	660,000	-	-	-	-	-
Accrued interests on secured bonds	12,595	12,595	-	-	-	-	-	-
Revolving Credit Facility	-	-	-	-	-	-	-	-
Accrued interests on Revolving Credit Facility	-	-	-	-	-	-	-	-
Other bank borrowings	67,361	8,596	6,260	2,861	3,240	437	45,969	-
Finance lease borrowings	52,782	7,746	5,747	3,319	11,271	3,112	15,343	6,245
Other borrowings	41,220	41,220	-	-	-	-	-	-
Financial current account liabilities	4,683	4,683	-	-	-	-	-	-
Bank overdraft	625	625	-	-	-	-	-	-
I – Total borrowings	**1,064,268**	**300,466**	**672,007**	**6,179**	**14,511**	**3,549**	**61,311**	**6,245**
Financial receivables	5,081	2,284	2,796	-	-	-	-	-
Financial current account assets	2,271	2,272	-	-	-	-	-	-
Marketable securities	1	1	-	-	-	-	-	-
Cash and cash equivalents	158,534	158,534	-	-	-	-	-	-
II – Financial assets	**165,887**	**163,091**	**2,796**	**-**	**-**	**-**	**-**	**-**
Net borrowings (I - II)	**898,381**	**137,375**	**669,210**	**6,179**	**14,511**	**3,549**	**61,311**	**6,245**

On 31 December 2021, PSP Notes amounting to €44.2 million are included in the 'Other bank borrowings' caption (see note 2.2).

The Group's financial liabilities and borrowings are composed of a limited number of items at Promontoria Holding 264 and at subsidiary levels.

The principal liability at Group level is composed of 6.75% Senior Secured Notes and Senior Secured Floating Rate Notes (at EURIBOR (floored at zero) +6.25%), both due in August 2023 for a total of €660 million. These Notes were issued in August 2018 by Promontoria Holding 264 B.V. to partially finance the acquisition of the WFS Group.

In October 2018, to replace the prior Revolving Credit Facility ("RCF"), Promontoria Holding 264 B.V. signed a new RCF for an amount of €100 million and maturing in February 2023. The applicable interest rate to this new Facility agreement is equal to IBOR (floored at zero) plus a maximum margin of 3.25% per annum.

On 4 March 2021, Brazilian subsidiary Orbital refinanced its existing bank loans by signing two 5-year amortizing loans for BRL48 million and BRL12 million respectively, both with Banco Santander Brasil.

Meanwhile, during Q2 2020, the Group's main US subsidiary WFS Inc. received the first tranche (for $18.9 million) of the PSP Promissory Note signed with the US Treasury, as part of the US CARES act, referred to note 2.2. Further tranches of PSP Promissory Notes (up to a combined total of approximately $50.1 million) were disbursed up to Q3 2021, as per the various agreements signed with the US Treasury in 2020 and 2021.

The PSP Promissory Note is a 10-year unsecured, non-amortizing Promissory Note. The interest rate payable on the Promissory Note will be fixed at 1% for the first five years and increase to the sum of SOFR (Secured Overnight Financing Rate) and 2% thereafter, with additional PIK (i.e., capitalized) interest payable at 3% for the first five years and increasing by 100bps each year thereafter. The Promissory Note does not have any financial covenants, and WFS Inc. has the right, at any time, to voluntarily prepay amounts outstanding under the Promissory Note, in whole or in part, without penalty or premium. The PSP Agreement provides, among other things, that the PSP funds must be used exclusively for the continuation of payment of wages, salaries, and benefits to qualified employees of WFS Inc. The PSP Agreement between WFS Inc. and Treasury is consistent with the standard form of PSP agreement for air carrier contractors that has been made available to the public by Treasury.

Finally, in December 2021, Promontoria Holding 264 B.V. contracted a €225 million bridge facility (Acquisition Bridge loan – Pari passu with the Senior Secured Notes) maturing in December 2022 with Barclays Bank. The purpose of the facility was to finance the acquisition of various components of Mercury Air Group, which acquisition closed on 30 December 2021 (see note 2.8).

Financial Covenants
The above-mentioned Notes are not subject to any financial covenants.

The RCF Agreement requires the Company to comply with a consolidated "Net Senior Secured Leverage" financial covenant of maximum 8.25x to avoid a draw stop on the RCF. The financial covenant is tested quarterly on a twelve-month rolling basis, subject to the cash portion of Revolving Credit Facility (i.e., currently €70 million) being at least 40% drawn on the relevant test date.

In anticipation of the temporary negative impact of the Covid crisis on the Company's financial covenant, the Company agreed on 8 April 2020 with its RCF Lenders to temporarily replace its consolidated senior secured net leverage covenant with a Minimum Liquidity Covenant. This Minimum Liquidity is to be tested at each of 30 June 2020 and 30 September 2020 and shall not be less than €40 million on a consolidated Group ("Minimum Liquidity Amount"). On 27 October 2020, this amendment was adjusted (requiring minimum liquidity of €50 million) and extended up to 31 March 2021 (included) with monthly testing from December 2020 to March 2021. On 28 April 2021, this amendment was further extended to 30 September 2021. Starting in October 2021, the temporary Minimum Liquidity covenant was cancelled and the Net Senior Secured Leverage ratio of 8.25x was reinstated.
On 31 December 2021, the Group consolidated Net Senior Secured Leverage ratio was below the contractual maximum amount of 8.25x.

6.9 Operating liabilities

In thousands of euros	31/12/2021	31/12/2020
Trade payables and related accounts	**134,774**	**109,988**
Fiscal and social debts	139,073	116,413
Income taxes debts	18,377	6,276
Other liabilities	25,064	27,083
Amounts payable on fixed assets and related accounts	3,871	1,137
Deferred income	2,763	2,074
Other liabilities & deferred income	**189,148**	**152,982**
Total	**323,921**	**262,970**

The variation between December 31, 2020, and December 31, 2021, of trade payables included forex effect of €4.6 million. The fair value of the current liabilities approximates the book value due to their short-term character.

On 31 December 2021, operating liabilities includes approx. €32 million were resulting from the deferred payable, taxes and social charges referred to above and from payments deferrals agreed with the Group' landlords, vendors and suppliers.

Regarding tax and social debt, Forex impact amounted to €3.3 million between December 31, 2020, and December 31, 2021.

The maturity of operating liabilities breaks down as follows:

In thousands of euros	31/12/21	31/12/20
Less than 1 year	315,382	258,729
More than 1 year	8,539	4,241
More than 5 years	-	-
Total	**323,921**	**262,970**

7. Other information

7.1 Off-balance sheet commitments

The commitments disclosed in this Note comprise all off-balance sheet commitments identified by the Group as material or likely to become so.

Off-balance sheet commitments given break down as follows:

In thousands of euros	31/12/21	31/12/20
Total personal guarantees - commitments given	53,753	44,877
Total collateral - commitments given	672,201	742,201
- including nominal bonds	*660,000*	*660,000*
- including bonds interests	*12,201*	*12,201*
- including nominal Revolving Credit Facility	*-*	*70,000*
- including Revolving Credit Facility interests	*-*	*-*
Tax and customs-related deposits	3,659	13,469
Operating leases excluding finance leases	491,711	387,736
Other commitments given	18,150	23,864
Total commitments given	**1,239,474**	**1,212,147**

The Notes issued by Promontoria Holding 264 B.V. in August 2018, and the debt drawn by Promontoria Holding 264 B.V. under the new RCF are guaranteed by some of Promontoria Holding 264 B.V. Group entities.

Off-balance sheet commitments received break down as follows:

In thousands of euros	31/12/21	31/12/20
Total personal guarantees - commitments received	521	332
Total collateral - commitments received	3	3
Other commitments received	8	8
Total commitments received	**532**	**343**

Operating leases break down as follows:

In thousands of euros	31/12/21	< 1 year	>1 year < 5 years	> 5 years
Real-estate leases	410,242	92,981	200,243	117,018
Vehicle leases	4,592	2,704	1,885	3
Worksite equipment leases	68,845	23,786	44,744	314
Other leases	8,032	3,783	4,249	-
Operating leases excluding finance leases	**491,711**	**123,254**	**251,122**	**117,336**

Operating leases charges break down as follows:

In thousands of euros	P&L expenses As at 31/12/2021
Real-estate leases	(116,298)
Vehicle leases	(3,123)
Worksite equipment leases	(44,655)
Other leases	(3,004)
Operating leases excluding finance leases	**(167,080)**

7.2 Employees

The Group employed 26,956 people on 31 December 2021, breaks down as follows:

	31/12/21	31/12/20
Administration & others	63	63
Communication	4	7
Executive	57	49
Field Operation	25,980	21,207
Finance	201	172
Human ressources	167	135
IT	65	57
Legal	13	7
Operation overheads	314	200
Safety & Security	61	55
Sales & development overheads	30	22
TOTAL HEADCOUNT	**26,956**	**21,974**

As requested by the new regulation 2020-01, the total of employees for the period ending 31 December 2021 is an average since 1 January 2021.

The total of 26,956 people is constituted of 25,064 people from fully consolidated companies and 1,892 people from joint ventures.

For the period from January through December 2021, gross salaries represented €548.8 million and social and other personnel expenses amounted to €242.7 million for a total of €791.5 million of personnel expenses.

7.3 Transactions with related parties

The Group has not entered into any additional material transactions with related parties other than set out below.

Effective from the date of acquisition, some consulting and services agreement were signed by some Group entities and affiliates of Cerberus Capital limited.

7.4 Subsequent events

7.4.1 Refinancing of the Group capital structure

On 9 February 2022, the Group completed the refinancing of its capital structure as it repaid existing Senior Secured Notes (SSN) maturing in August 2023 and consisting of €400 million of 6.75% Euro denominated fixed rate Senior Secured Notes, €260 million of Floating Rate Senior Secured Notes (bearing a margin of 6.25% over Euribor), and the €225 million acquisition facility which was used to fund the acquisition of the Mercury and Maytag entities in December 2021. Those existing debt facilities were replaced by 3 tranches of Senior Secured Notes: €340 million 6.375% fixed rate notes, $400 million 7.875% fixed rate notes and €250 million floating rate notes (with a coupon of 6.125% over Euribor), with all three tranches maturing on 1 March 2027. The terms of those Senior Secured Notes are broadly similar to the Senior Secured Notes issued in 2018 by Promontoria Holding 264 for the financing of its acquisition of WFS. The new SSN were rated by Moody's and Standard & Poors and received respective ratings of B3 and B, both with a stable outlook, reflecting an upgrade versus the ratings of the previous SSN.

Simultaneously to the refinancing of the SSN, the existing €100 million Super Senior Revolving Credit Facility (SSRCF) was cancelled and replaced by a €160 million Super Senior Revolving Credit Facility (including a sub-limit of €25 million to be used only for the issuance of Letters of Credit as opposed to cash) underwritten by nine banks, including all five banks participating in the previous SSRCF and four new banks. The maturity of the new SSRCF is August 2026.

The refinancing of SSNs and of the SSRCF allows WFS to enhance its available liquidity and extend its debt maturity. Furthermore, the issuance of a tranche of the SSN in US Dollars will provide a natural currency hedge for WFS' capital structure and allow the Group to establish a presence in US capital markets.

7.4.2 Conflict in Ukraine and geopolitical consequences

The military conflict which started in Ukraine in late February 2022 adds a degree of economic and political uncertainty. Whilst the Group is currently assessing the situation and its consequences, the revenue impact is currently expected to be limited as WFS has no stations in Ukraine or Russia. The Group handles a few Ukrainian & Russian owned airlines in some stations, with non-material revenue exposure overall. The Group however also expects cargo capacity to be restricted where aircrafts will be re-routed around the Russian airspace.

Independent auditor's report on the audit
of the special purpose consolidated financial statements

(Year-end December 31, 2022)

Promontoria Holding 264 B.V.
Oude Utrechtseweg 32,
Baarn, 3743, KN
Netherlands

To the Management Board,

Our opinion

In our opinion, the special purpose consolidated financial statements give a true and fair view of the consolidated financial position of Promontoria 264 B.V. (the Company) and its subsidiaries (together 'the Group') as at December 31, 2022, and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with the accounting rules and principles applicable in France.

What we have audited

The Group's special purpose consolidated financial statements comprise:

- the consolidated balance sheet statement as of December 2022;
- the consolidated income statement for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the French code of ethics that are relevant to our audit of the consolidated financial statements in France. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the French code of ethics

Emphasis of Matter & restriction on distribution and use

- We draw attention to note "2.1 Acquisition of WFS Group by SATS", which describes the conditions and consequences of the acquisition of the Company by SATS which is expected to be completed on 3rd April 2023, following the reception of all regulatory approvals required.

- The Group special purpose consolidated financial statements are prepared in the framework of its financing arrangements for communication to holders with 3 tranches of Senior Secured Notes: fixed rate notes of 340 m€ and 400 m$ due 2027 and floating rate notes of 250 m€ due 2027 issued by Promontoria Holding 264 B.V ("the bondholders") and to the lenders under the super senior revolving facility agreement ("the lenders"). As a result, the financial statements may not be suitable for another purpose.

Our opinion is not modified in respect to these matters.

- Our report is intended solely for Promontoria Holding 264 B.V. and should not be distributed to or used by parties other than Promontoria Holding 264 B.V. and the bondholders and lenders. We accept no liability with regard to any third party to whom this report is distributed or into whose hands it may fall.

Other matter

The Company prepares a separate set of consolidated financial statements for the year ended December 31, 2022 in accordance with the accounting rules and principles applicable in the Netherlands for publication purpose.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the special purpose consolidated financial statements in accordance with the accounting rules and principals applicable in France and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose consolidated 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 control.
- Obtain an understanding of internal control 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 control.
- 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 auditor's report to the related disclosures in the consolidated 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 auditor's 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report jurisdiction

This report is governed by French law. French courts have exclusive jurisdiction to judge any dispute, claim or disagreement that may result from our letter of engagement or this report or any related question. Each party irrevocably renounces his or her rights to oppose legal action brought before these courts, to contend that the action was brought before a court that was not competent, or that these courts do not have jurisdiction.

Neuilly-sur-Seine, March 31st, 2023

Pricewaterhouse Coopers Audit

Edouard Cartier

PROMONTORIA HOLDING 264 B.V.

Financial report

Twelve-months period ended on 31 December 2022

PROMONTORIA HOLDING 264 B.V.

Contents

Consolidated income statement

In thousands of euros	Notes	31/12/2022	31/12/2021
Revenue	**5.1**	**1,988,702**	**1,397,075**
Field Expenses and Operating Overheads (1)		(1,724,470)	(1,136,450)
Gross Margin		**264,232**	**260,625**
Sales and Marketing		(14,062)	(8,483)
General & Administration		(156,208)	(105,244)
Other operating income and expenses		(378)	(701)
Operating income/(loss) before Goodwill impairment		**93,583**	**146,196**
Goodwill impairment	**6.1.1**	(0)	-
Operating income/(loss) after Goodwill impairment		**93,583**	**146,196**
Financial result	**5.3**	(140,846)	(64,636)
Net income/(loss) from ordinary activities of consolidated companies		**(47,262)**	**81,560**
Extraordinary items income/(expense)	**5.4**	(52)	3,355
Income tax expense	**5.5**	(21,450)	(15,147)
Net income/(loss) from consolidated companies		**(68,764)**	**69,769**
Consolidated net income/(loss)		**(68,764)**	**69,769**
Minority interests		422	205
Net income/(loss) - Group share		**(69,186)**	**69,563**
Number of shares		**100**	**100**
Earnings per share (Net income/(loss) - Group share / Number of shares) (2)		**(691.86)**	**695.63**

(1) *For the period ending on 31 December 2021, Field Expenses and Operating Overheads include an income of €84.3 million related to PSP grant utilized.*

(2) *The earning per share is calculated from the outstanding shares on 31 December 2022.*

Consolidated balance sheet

In thousands of euros	Notes	Assets 31/12/2022 Gross	Depreciation, amortisation & provisions	Net	31/12/2021 Net
Intangible assets	6.1.2	593,734	(165,917)	427,817	327,795
Goodwill	6.1.1	817,068	(168,618)	648,450	762,782
Tangible assets	6.2	527,736	(336,798)	190,938	179,608
Financial assets	6.3	72,983	(22,298)	50,685	29,962
Non-current assets		**2,011,520**	**(693,630)**	**1,317,890**	**1,300,148**
Foreign exchange rates differences - Assets		**27,821**	**-**	**27,821**	**692**
Inventory and work-in-progress		3,329	-	3,329	2,776
Trade receivables and related accounts	6.4	307,875	(14,753)	293,122	247,702
Other receivables and prepayments	6.4	91,687	(21,122)	70,565	62,043
Other assets	5.5	7,755	-	7,755	3,472
Marketable securities		1,386	-	1,386	1
Cash and cash equivalents		156,149	-	156,149	158,534
Current assets		**568,181**	**(35,875)**	**532,306**	**474,527**
Total Assets		**2,607,522**	**(729,505)**	**1,878,017**	**1,775,367**

In thousands of euros	Notes	Liabilities and Shareholders' Equity 31/12/2022	31/12/2021
Share capital		0	0
Share premium		504,621	508,091
Consolidated reserves and net income/(loss)		(293,104)	(222,536)
Shareholders' equity (Group share)		**211,517**	**285,555**
Shareholders' equity	6.5	**211,517**	**285,555**
Provisions	6.6	**90,366**	**60,657**
Foreign exchange rates differences - Liabilities		**34,922**	**2,193**
Borrowings	6.8	1,173,635	1,064,268
Trade payables and related accounts	6.9	142,359	134,774
Other liabilities and deferred income	6.9	183,101	189,148
Other liabilities	5.5	42,117	38,773
Liabilities		**1,541,211**	**1,426,962**
Total Liabilities and Shareholders' equity		**1,878,017**	**1,775,367**

Consolidated cash flow statement

In thousands of euros	Notes	31/12/2022	31/12/2021
Consolidated net income/(loss)		**(68,764)**	**69,769**
Elimination of non-cash and non-operating items			
Depreciation, amortisation & provisions		107,428	70,159
Change in taxes	5.5	21,450	15,147
Capital gains and losses, net of tax		51	(1,541)
Impact of legal operations (mergers, deconsolidation)		(2,211)	(4,186)
Financing costs amortisation		15,809	8,744
Taxes paid		(19,201)	(25,211)
Net cost of borrowings		76,189	51,555
Cash from operations of consolidated companies		**130,751**	**184,435**
Change in working capital requirements		(36,461)	(3,506)
Of which change in net factoring		*5,656*	*11,455*
Net cash from operating activities		**94,290**	**180,929**
Purchase of intangible & tangible assets	6.1.2 / 6.2	(45,336)	(34,735)
Disposal of intangible & tangible assets, net of tax		877	4,300
Purchase of consolidated investments		(9)	(299,487)
Impact of changes in consolidation scope		(1)	98
Net cash used in investing activities		**(44,469)**	**(329,825)**
Dividends paid to minority interests in consolidated companies		12	(466)
Capital increases/(decreases) and capitalisable advance		(3,470)	1,690
Net Cash Proceeds from Senior Secured financing	2.2	16,183	155,000
Net financial interest paid		(69,839)	(51,512)
Change in financial assets & liabilities		1,392	11,702
Net cash from financing activities		**(55,721)**	**116,414**
Change in cash		**(5,900)**	**(32,481)**
Impact of changes in foreign currency exchange rates		3,607	6,538
Net cash at the begining of the period excluding marketable securities		157,909	183,852
Net cash at the end of the period excluding marketable securities		155,616	157,909
Bank overdrafts		*533*	*625*
Net cash at the end of the period, excl. bank overdrafts		*156,149*	*158,534*

The table below shows the detail of the change in working capital requirements:

In thousands of euros	Notes	31/12/22	31/12/21
Raw materials and other supplies		(379)	(326)
Net trade receivables	6.4	(36,163)	(34,015)
Suppliers	6.9	1,449	13,892
Other tax and social receivables and debt	6.9	(12,284)	5,710
Prepaid expenses and deferred income	6.4	1,054	(3,380)
Other operating receivables and current debt (including financing costs)	6.9	4,205	3,158
Change in net factoring		5,656	11,455
Change in working capital requirements		**(36,461)**	**(3,506)**

The table below shows the detail of the change in financial assets & liabilities:

In thousands of euros	Notes	31/12/22	31/12/21
Finance lease	6.8	12,782	6,179
Uneliminated intercompany JV	6.8	(1,604)	(661)
Other non-current assets and liabilities:		(9,786)	6,184
Other bank debt	*6.8*	*(2,055)*	*24,929*
Other assets and liabilities	*6.9*	*(7,730)*	*(18,745)*
Change in financial assets & liabilities		**1,392**	**11,702**

For the period ending 31 December 2022, the change in Other liabilities corresponds to change in deposits and guarantees.
For the period ending 31 December 2021, the change in Other bank debt included €16.4 million of additional PSP Loan and the change in Other liabilities is mainly change in deposits and guarantees for €(14.9) million.

Notes to the consolidated financial statements

1. General information

Promontoria Holding 264 B.V. (“the Company”) and its subsidiaries (together “the Group” or “WFS”) is a global aviation services group principally focused on cargo handling and ground handling, operating under the name of “Wordwide Flight Services” or “WFS”.
The holding company of the Group is Promontoria Holding 264 B.V., a private company with limited liability (“besloten vennootschap met beperkte aansprakelijkheid”) incorporated under the laws of the Netherlands with Dutch Trade Register number 71480765, and having its registered office at Oude Utrechtseweg 32, 3743, KN Baarn, the Netherlands. The Company is an affiliate of Cerberus Capital Management, L.P. and is owned at 100% by Promontoria Holding 263 B.V.
Promontoria Holding 264 B.V. was created on 20 April 2018 and the acquisition of the WFS group took place on October 2, 2018.
The Group special purpose consolidated financial statements are prepared in the framework of its financing arrangements for communication to holders of the fixed rate notes due 2027 and floating rate notes due 2027 issued by Promontoria Holding 264 B.V and to the lenders under the super senior revolving facility agreement (see notes 2.2 and 6.8).

2. Major events of the period

2.1 Acquisition of WFS Group by SATS

Pursuant to a Sale and Purchase Agreement dated 28 September 2022 (the “SPA”), SATS International SAS, an indirect wholly owned subsidiary of SATS Ltd., a company listed on the Singapore Stock Exchange, has agreed to purchase 100% of the issued share capital of Promontoria Holding 243 B.V., an indirect corporate parent of the WFS Group, on the terms and subject to the conditions set forth in the SPA. The Enterprise Value of the WFS Group under this transaction amounts to 2.25 billion euros.
The completion of the transaction was subject to the receipt of all necessary regulatory and shareholder approvals. The transaction is expected to qualify as a “Specified Change of Control Event” under the WFS Group’s outstanding Senior Secured Notes, which are therefore expected to remain outstanding. The SSRCF is subject to a change of control early termination provision which allows lenders to cancel their respective commitment within 60 days of the completion of such change of control. as of 31 December 2022, €21.3 million out of the €160.0 million total commitment under the RCF was used. The PSP Promissory Note described in Note 6.8 is also subject to a change in control provision and under the SPA SATS International is committed to its repayment.

Post closing update:
On 22 February 2023, SATS has announced that it has received all regulatory approvals required for completing the acquisition of SATS from funds managed by Cerberus Capital Management and that the completion of the transaction is expected to take place on 3rd April 2023. As of the date of this report a majority of RCF lenders have already agreed to waive the change of control provision and an amount of €117.5 million of the existing RCF will remain committed, thus limiting the impact on WFS Group liquidity.

2.2 Refinancing of the Group capital structure

On 9 February 2022, the Group completed the refinancing of its capital structure as it repaid existing Senior Secured Notes (SSNs) maturing in August 2023, which consisted of €400 million of 6.75% Euro denominated fixed rate Senior Secured Notes, €260 million of Floating Rate Senior Secured Notes (bearing a margin of 6.25% over Euribor) and the €225 million facility which was used to fund the acquisition of the Mercury and Maytag entities in December 2021. Those existing debt facilities were repaid using the proceeds from three tranches of Senior Secured Notes: €340 million of 6.375% fixed rate notes, $400 million of 7.875% fixed rate notes and €250 million of floating rate notes (with a coupon of 6.125% over Euribor), with all three tranches maturing on 1 March 2027. The terms of those new Senior Secured Notes are broadly similar to the Senior Secured Notes issued in 2018 by Promontoria Holding 264 B.V. for the financing of its acquisition of WFS. The new SSNs were rated by Moody’s and Standard & Poors and received respective ratings of B3 and B, both with a stable outlook, reflecting an upgrade versus the ratings of the previous SSNs.

Simultaneously to the refinancing of the SSNs, the existing €100 million Super Senior Revolving Credit Facility (SSRCF) was refinanced with a €160 million Super Senior Revolving Credit Facility (including a sub limit of €25 million to be used only for the issuance of Letters of Credit as opposed to cash) underwritten by nine banks, including all five banks participating in the previous SSRCF and four new banks. The maturity of the new SSRCF is August 2026.

The refinancing of the SSNs and of the SSRCF allows WFS to enhance its available liquidity and extend debt maturities. Furthermore, the issuance of a tranche of the SSN in US Dollars provides a natural currency hedge for WFS' capital structure and allows the Group to establish a presence in US capital markets.

In thousands of euros	**31/12/2022**
Net Cash Proceeds from Senior Secured financing	**16,183**
New Senior Secured Debt	*939,070*
Reimbursment Senior Secured Notes	*(660,000)*
Redemption premium on SSN	*(6,752)*
New Senior Secured Debt - Financing costs	*(25,510)*
Acquisition Bridge loan	*(225,000)*
Acquisition Bridge Debt Interests and Fees	*(5,625)*

2.3 Geopolitical situation, COVID-19, and macro-economic and environmental conditions impact on the Group business

The war which started in Ukraine on 24 February 2022 had a limited direct impact on the Group's business and operations. Since WFS has no stations in Ukraine or Russia, the air freight originated from and/or directed to those countries is immaterial, and while some sanctioned airlines had to cease flying there was a limited impact overall on WFS' Cargo business. There was no direct impact from the conflict on WFS' Ground and Ancillary business.

Whilst the aviation business overall continued to recover in the third quarter of 2022, the cargo market has been slowing down during the period at it continued to be negatively impacted by the lockdowns in China, which has resulted in slowdowns in manufacturing and export outputs. This in turn resulted in lower air freight traffic, notably from Asian carriers to the US. IATA thus reported a negative year-on-year variance in its main CTK indicator during the third quarter of 2022.

The surge of inflation in most economies is causing pressure on labor costs, which represent the majority of WFS' cost structure, while energy costs in Europe experienced a significant rise following the onset of the Russia-Ukraine war. Over time, WFS is able to pass through a significant proportion of those cost increases to its customers due to the indexation of the prices of a majority of its commercial contracts with airlines and its capacity to increase its published tariffs outside of those contracts.

In 2022, a formal materiality assessment of WFS impacts on key stakeholders was conducted across a range of ESG topics including climate change. This identified energy consumption and associated emissions as a material topic for the company, with key contributions from warehouse electricity consumption and operation of ramp and warehouse vehicles. These impacts are being reduced through a long-term strategy of moving to renewable electricity where available (and economically viable) and moving to electric vehicles where airport controlled infrastructure allows.

In terms of climate change risks impacting on WFS operations, nothing material has been identified in the medium term, although a formal risk assessment is planned in 2024 as part of a refreshed "double materiality" ESG assessment.

2.4 Business development in India

In the second quarter of 2022, WFS was awarded a 15-year license to expand and operate one of the two cargo handling facilities at Bangalore airport (BLR), under a joint-venture agreement with BIAL, the airport operator. This first development in India represents a significant achievement for WFS.
The Joint Venture entity, WFS Bengaluru Pte ltd, was incorporated in July 2022; however, it won't have any trading activity before May 2023. It is 74% owned by WFS.

2.5 Situation of French Ground Handling Business

The COVID-19 pandemic had a significant impact on WFS' ground handling activity and as already reported, led to the bankruptcy of two French baggage handling entities: Connecting Bag Services (CBS), decision ruled by the Commercial Court on 12 October 2021 and Bag Flight Services (BFS), decision ruled by the Commercial Court on 22 November 2021. Note however that on 6 July 2021, the Commercial Court accepted the offer made by Connecting Flight Services, a fully owned subsidiary of the Group, to acquire a part of the CBS business and a majority of its employees.

On 9 May 2022, the Commercial Court decided the bankruptcy of Airport Ramps Services (ARS), a small ground handling French entity (and an unrestricted entity) which ceased its operations from 1 March 2022. This deconsolidation has resulted in a non-material impact on the consolidated net income (€2.2 million).

3. Accounting framework, basis of consolidation, valuation rules and methods

3.1 Accounting framework

The consolidated financial statements have been prepared in accordance with the French Commercial Code (‘Code de Commerce – Article L.233-16 et seq’) completed by the regulation 2020-01 (ANC 2020-01 art. 282-1) of the French Accounting Regulation’s Committee (‘Comité de la réglementation comptable’).
The accompanying Notes therefore relate to significant events and transactions of the exercise.
They have been prepared on a going concern basis, based on the principle of separation of accounting fiscal years and at historical cost.
All figures are stated in thousand euros, unless otherwise stated.

3.1.1 Comparison with prior year

The valuation principles and method of determining the result are the same as those used in the previous year.

3.1.2 Judgements, estimates and uncertainties

In applying the principles and policies for preparing the financial statements, the directors of Promontoria Holding 264 B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the true and fair view, the nature of these estimates and judgments, including assumptions related to the uncertainties, is disclosed in the notes to the relevant financial statement items.
For the preparation of the December 2022 financial statements, estimates are made based on a going concern assumption and on information available at the date of their preparation. Estimates and judgements are continuously evaluated and are based on management's best knowledge of the relevant facts and circumstances, giving consideration to previous experience and other factors, including expectations about future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances. When the Group makes estimates and assumptions concerning the future, the resulting accounting estimates will, by definition, seldom equal the related actual results and actual results may differ from the amounts included in the consolidated financial statements.

Key sources of estimation uncertainty which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year include the items presented below:

- Ability of the Group to continue as a going concern and subsequent events (see note 7.4).
- Impairment test of goodwill and other fixed assets: assumptions underlying the estimation of value in use in respect of cash-generating units for impairment testing purposes require the use of estimates such as long-term discount rates and growth rates. (See note 6.1.1).
- Recoverability of deferred tax assets: the recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which the unused tax losses can be utilized (see note 5.5).
- Accounts receivable valuation allowance (see note 6.4).

3.1.3 Basis of consolidation

Companies over which the Group exercises control, either directly or indirectly, are fully consolidated (see note 4).

Companies over which the Group exercises joint control along with other shareholders, pursuant to shareholders’ agreements and regardless of the shareholding interest, are consolidated using the proportionate method. The statues of these companies explicitly state rules governing main strategic and operating decisions in a conjoined manner.

On 31 December 2022, the following entities are consolidated using the proportionate method:

Companies consolidated using proportionate method	% interest
TETRA TECH-MAYTAG AIRCRAFT CORPORATION JOINT VENTURE	50.00%
WFS PG CARGO COMPANY LTD	51.00%
WORLDWIDE CRUISE TERMINALS (HONG KONG) LIMITED	60.00%
DUNWOODY AIRLINE SERVICES LTD	60.00%
GLOBAL SERVICE HANDLING SAS (GSH)	49.25%
WORLDWIDE FLIGHT SERVICES (SOUTH AFRICA) PTY LIMITED	60.00%
FCS FRANKFURT CARGO SERVICES GMBH	51.00%

There are no equity affiliates in the Group’s scope of consolidation.

Subsidiaries or holdings representing a minor interest with respect to the fair presentation of the accounts are not consolidated.
Intercompany transactions, profits and balances amongst Group companies and other consolidated entities are eliminated. Unrealized losses on intercompany transactions are also eliminated, unless such a loss qualifies as an impairment. The accounting policies of Group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing Group accounting policies.

3.1.4 Changes in scope of consolidation

On 12 February 2021, Connecting Flight Services SAS (CFS) was incorporated as a private company, with its registered office in France under the Trade register number 895 302 719 RCS Bobigny. This entity is wholly owned by the Group and therefore fully consolidated.

On 14 May 2021, Transfert Fret et Poste Services SAS (TFPS) merged into European Flight Services SAS (EFS).

On 28 July 2021, the Group acquired R.A.Hand, a small independent provider of cargo handling services to freight forwarders at CDG airport, thereby increasing its activity in freight forwarding assistance.

On 30 July 2021, Bag Flight Services (BFS) has been deconsolidated. (See note 2.5)

On 5 August 2021, Global Freight Services SAS (GFS) was incorporated as a private company, with its registered office in France under the Trade register number 902 087 600 RCS Bobigny. This entity is wholly owned by the Group and therefore fully consolidated.

On 24 September 2021, the Group acquired 100% of the membership interests of IAS Logistics DFW, LLC (d/b/a “Pinnacle Logistics”). Pinnacle Logistics is a leading provider of cargo handling services for the aviation market in the U.S. and is focussed on specialist express cargo handling for e-commerce customers.

On 18 November 2021, Condor Manco OB S.à.r.l, a holding company based in Luxembourg has been liquidated. This dissolution has resulted in a non-material impact on the consolidated net income.

On 19 November 2021, Vita Holding S.à.r.l, a holding company based in Luxembourg has been liquidated. This dissolution has resulted in a non-material impact on the consolidated net income.

On 30 December 2021, the Group has completed the acquisition of Mercury Air Cargo, Inc., and Maytag Aircraft Corporation (the Mercury Business) from Mercury Air Group, Inc. Mercury Air Cargo is a privately held air cargo handler located on the U.S. West Coast with operations at Los Angeles International Airport, San Francisco International Airport, and San Jose International Airport. Maytag Aircraft is an established U.S. government services contractor that provides essential operations and maintenance services, including tank fuel farm management and refuelling services.

On 31 March 2022, WFS Ground Handling Services Limited has been liquidated. This dissolution has resulted in a non-material impact on the consolidated net income.

On 9 May 2022, Airport Ramp Services (ARS) has been deconsolidated. (See note 2.5)

On 25 July 2022, WFS (BENGALURU) Private Limited was incorporated as a private company, with its registered office in Bangalore (India) under the Trade register number U63033KA2022FTC164199. This entity is owned at 74% by the Group and therefore fully consolidated. However, this entity has not performed any trading operations in 2022. (See note 2.4)

3.1.5 Conversion of financial statements of foreign subsidiaries

The functional currency of the parent company is the euro, as it is located in the Eurozone. The balance sheets, income statements and cash flow statements of certain subsidiaries, whose functional currency differ from that of the parent company, are translated into the Group functional currency:
- at the period-end exchange rate for balance sheet items.
- at the average period exchange rate for income statement items.

Translation differences resulting from this conversion are recorded in equity.

The exchange rates for main currencies of the non-Eurozone countries used to prepare the consolidated financial statements are as follows:

Closing exchange rate (1 euro = xx foreign currency)	31/12/2022	31/12/2021
UAE dirham	3.9171	4.1595
Brazilian reals	5.6386	6.3101
Canadian dollars	1.4440	1.4393
Danish crowns	7.4365	7.4364
Pounds Sterling	0.8869	0.8403
Hong-Kong dollars	8.3163	8.8333
Indian rupees	88.1710	84.2292
Jamaican dollars	162.1513	174.6932
Peruvian Sol	4.0485	4.5257
Swedish Crowns	11.1218	10.2503
Dollars Singapore	1.4300	1.5279
Thai bahts	36.8350	37.6530
U.S. dollars	1.0666	1.1326
South Africa Rands	18.0986	18.0625

Average exchange rate (1 euro = xx foreign currency)	31/12/2022	31/12/2021
UAE dirham	3.8673	4.3436
Brazilian reals	5.4399	6.3779
Canadian dollars	1.3695	1.4826
Danish crowns	7.4396	7.4370
Pounds Sterling	0.8528	0.8596
Hong-Kong dollars	8.2451	9.1932
Indian rupees	82.6864	87.4391
Jamaican dollars	161.5664	178.2176
Peruvian Sol	4.0362	4.5896
Swedish Crowns	10.6296	10.1465
Dollars Singapore	1.4512	1.5891
Thai bahts	36.8562	37.8368
U.S. dollars	1.0530	1.1827
South Africa Rands	17.2086	17.4766

3.1.6 Related parties

All legal entities that can be controlled, jointly controlled, or significantly influenced are a related party. Also, entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of Promontoria Holding 264 B.V. or its ultimate controlling entity Cerberus Capital Management and close relatives are regarded as related parties.

3.1.7 Intangible assets

a) Goodwill

Business combinations are recorded in accordance with the acquisition method, which consists of measuring the assets, liabilities, and contingent liabilities of acquirees at the “cost value based on the contemplated use by the company”. The difference between the acquisition cost (including the transaction fees) of contributed assets or acquired shares and the “cost value based on the contemplated use by the company of the identifiable assets”, liabilities and contingent liabilities as at the acquisition date is recorded as an intangible asset under the heading “Goodwill”. Minority interests held in acquirees are measured on acquisition at the proportionate share held by minorities in the cost value based on the contemplated use by the company of the assets and contingent liabilities recorded as at the acquisition date.

Goodwill arising on the acquisition of a foreign entity (outside the Eurozone) is treated as an asset of the relevant entity. It is recorded in the currency of the acquired entity and translated into euros at the period-end rate.
Goodwill is allocated to groups of cash generating units (CGU). These units correspond to entities whose economic activity generates cash flows that are largely independent of each other.
The company determines the useful life, limited or not, of the goodwill, based on a documented analysis of the acquisition, notably in regards with technical, economic, and legal aspects. In case there is no predictable limitation to the duration over which the goodwill will provide substantial benefits to the group, the goodwill is not amortized. Accordingly, goodwill is not amortized.

In the event of disposal of a subsidiary, goodwill attributable to this subsidiary is included in the calculation to determine gains and losses arising on disposal.
In the event of an additional purchase of minority interests, the difference between the purchase cost and the carrying amount is recorded in goodwill.

The entity shall assess at each balance sheet closing date whether there is any objective evidence that the goodwill should be impaired. These impairment tests consist of comparing the net book value of goodwills to their recoverable amounts, corresponding to the greater amount between the net selling price and the value in use, estimated by the net present value of the future cash flows generated by their use. The method projects to perpetuity a normative amount with a growth rate. The discount rate applied to those cash flows corresponds to the average cost of capital for each Cash Generating Unit (CGU). In case the annual impairment test reveals a recoverable amount less than the net book value, an impairment is recognized to bring back the net book value of the goodwill to its recoverable amount.

b) Other intangible assets

These mainly include patents, licences and equivalent as well as computer softwares. Intangible assets acquired appear in the balance sheet at purchase cost and are amortised on a straight-line basis over their useful lives. Intangible assets acquired in a business combination are recognised separately from goodwill if they arise from contractual or legal rights and their costs value based on the contemplated use by the company can be reliably estimated.
The main useful lives of the different classes of intangible assets are as follows:

Patents, licences and equivalent	5 to 15 years
Computer softwares	3 to 5 years
R&D costs	5 to 10 years
Concession contract	Actual life of contract
Other intangible assets	3 to 31 years

Research and development costs, which are immaterial, are not capitalised or immediately written-off.
Future amortisation is adjusted if there is a change in estimated future useful life.
Acquired customer portfolios are valued taking into consideration differentiated churn rates (ranging from 5% to 15%) to take into account the specificities of each activity and geographic area. They are amortized using the straight-line method over their estimated useful lives (with a maximum of 31 years).

Acquired ground licenses are valued considering renewal rate of 50% to 75%. These are amortized using the straight-line method over their estimated useful lives (with a maximum of 11 years).

At the time of Cerberus acquisition, the WFS trademark was valued in the amount of €33.3 million considering an indefinite useful life.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to note 3.1.13.

3.1.8 Tangible assets

Tangible assets are recorded at purchase or production cost (which may be direct or indirect costs, including acquisition fee), less accumulated depreciation and any impairment losses. Tangible assets are not subject to revaluation.
Depreciation is generally calculated in accordance with the straight-line method over the useful life of the asset; the accelerated depreciation method may nevertheless be used when it appears to be more relevant with regard to the useful life of the equipment concerned.
For certain complex tangible assets comprising different components, particularly buildings, each component of the fixed asset is depreciated over its own useful life.

The main useful lives of the different classes of tangible asset are as follows:

Buildings	20 to 30 years
Shell, bare brickwork	20 to 30 years
Machinery and equipment	5 to 10 years
Transport equipment and vehicles	3 to 5 years
Fittings and fixtures	5 to 10 years
Office furniture and equipment	3 to 10 years

The starting date for calculating depreciation is the asset's commissioning date.
Future depreciation is adjusted if there is a change in estimated future useful life.

Finance leases
The Group leases some of buildings, office, and site equipments, whereby it holds substantially all the risks and rewards of ownership of these assets. These assets are recognised on the balance sheet upon commencement of the lease contract at the lower of the cost value based on the contemplated use by the company of the asset or the discounted value of the minimum lease payments. The lease instalments to be paid are divided into a repayment and an interest portion, using the annuity method.
The liabilities under the lease are included under Borrowings.
The interest component is included in the income statement for the duration of the contract on the basis of a fixed interest percentage of the average remaining redemption component. The assets are depreciated over the remaining economic life or, if shorter, the duration of the contract.

Operational lease
The Group may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of nor incurred by the Group. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, considering reimbursements received from the lessor, in the income statement for the duration of the contract.

3.1.9 Long-term investments

The following long-term investments are recorded in the balance sheet under this heading:

- Non-consolidated investments: their gross value is comprised of the purchase cost including transaction fee as required by the new regulation 2020-01. These investments are valued at the period-end, taking one or more of the following items into consideration: equity attributable to the Group, net income / (loss) and outlook. When the carrying amount is less than the gross value, a provision for impairment is recorded in the amount of the difference.
- Deposits, guarantees and surety bonds.

3.1.10 Inventory and work-in-progress

Inventories (stocks) are valued at historical price or production cost based on the FIFO method (first in, first out) or lower realisable value.
The historical cost consists of all costs relating to the acquisition and the costs incurred to bring the inventories to their current location and current condition.
The realisable value of goods for resale is the estimated sales price less directly attributable sales costs. In determining the realisable value, the obsolescence of the inventories is considered.
The realisable value of raw materials and consumables and work in progress is derived from the estimated sales price of goods for resale, taking into account the estimated costs of completion and the estimated costs that are necessary to realise the sale.

3.1.11 Receivables

Receivables are recognised initially at their nominal value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured based on the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.
Other receivables presented under financial assets include issued loans and other receivables as well as purchased loans that will be held to their maturity date. These receivables are initially measured at fair value and subsequently carried at amortised cost. If loans are issued at a discount or premium, the discount or premium is recognised through profit or loss over the maturities of the loans using the effective interest method. Also, transaction costs are included in the initial valuation and recognised through profit or loss as part of the effective interest method. Impairment losses are deducted from amortised cost and expensed in the income statement.
From 1 January 2021, the new regulation 2020-01 is applicable to the accounting treatment of the recourse factoring. This change consists in recording recourse factoring as a payment from the customer when invoices are sold and no longer as a financial debt to the factor.

3.1.12 Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

3.1.13 Impairments of assets

On each balance sheet date, the Group assesses whether there are any indications that an asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.
An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the cost value based on the contemplated use by the company less cost to sell and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.
The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. The costs deducted in determining net realizable value are based on the estimated costs that are directly attributable to the sale and are necessary to realize the sale. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted.
If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill cannot be reversed.
The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.
The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.
If an impairment loss has been incurred on an investment in an equity instrument carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The impairment loss shall be reversed only if the evidence of impairment is objectively shown to have been removed.

3.1.14 Payables

On initial recognition current liabilities are recognised at their nominal value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, considering premiums or discounts, less transaction costs. This usually is the nominal value.

3.1.15 Borrowings (Long-term debts)

On initial recognition long-term debts are recognised at their nominal value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition.
As allowed by French GAAP, transactions costs are capitalized and amortized over the duration of the debt until maturity.

3.1.16 Translation of items denominated in foreign currencies

Foreign currency transactions are translated into euros at the prevailing rate as at the transaction date. At the period-end, monetary financial assets and liabilities denominated in a foreign currency are translated into euros at the prevailing rate at the period-end.
Realized Foreign exchange gains and losses are recorded in foreign exchange gains and losses and presented in the heading financial income/(expense) in the income statement. Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised unless hedge accounting is applied.
Since 1 January 2021, applying the regulation 2020-01, unrealized foreign exchange losses are recognized in the balance sheet in Assets under "Foreign exchange rate differences – Assets" and lead to the recognition of a provision for currency risks. And unrealized foreign exchange gains are recognized in the balance sheet in Liabilities under "Foreign exchange rate differences – Liabilities".

3.1.17 Provisions for contingencies and losses

Provisions are recorded when the Group has a present obligation arising from past events which is expected to result in an outflow of resources which can be estimated reliably. The amount recognised as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date.
Provisions for pension are valued based on actuarial principles. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary to settle the obligation, unless stated otherwise.
If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.
Restructuring provisions are recognised only after a detailed formal plan is adopted and notified to the interested parties. Restructuring provisions include the cost of implementing the plans and measures undertaken if these have been announced before the balance sheet closing date.

Provisions appearing in the Group balance sheet mainly concern:

- Redundancies, HR litigations and other contingencies related to operations (notably aviation related claims).
- Onerous contracts.
- Pension commitments and other employee benefits (notably workers' compensation liabilities in the US).

3.1.18 Recognition of the revenue

The Group generates substantially all its revenues from services.

a) Sales of services

Revenue comprises the receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, rebates, and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity. Revenue from services is recognised in the accounting period the services are provided.

b) Dividend income

Dividend income is recognised when the right to receive payment is established. Dividends within the Group are eliminated.

3.1.19 Field expenses and operating overheads

Field expenses and operating overheads represents the direct and indirect expenses attributable to revenue, purchase expenses related to the goods sold, employee cost, depreciation charges for buildings and equipment, and other operating expenses that are attributable to cost of sales.
Those costs are net of any operating grants and indemnities when the Group benefits from such arrangements.

3.1.20 Sales and Marketing

Sales and marketing expenses comprise costs incurred in relation to commercial, communication and marketing activities performed by the Group.

3.1.21 General & administrative

General & administrative expenses comprise costs incurred for supporting the Group operations in respect of Safety and Security, IT, HR and payroll, Finance, and Executive management.

3.1.22 Employee cost

Employee costs (wages, salaries, social security contributions or equivalent benefits, etc.) are not presented as a separate item in the income statement. These costs are included in other components of the income statement, i.e., Field Expenses and Operating Overheads, Sales and Marketing and General & Administration expenses.
Those costs are net of any reimbursement of wages and/or social charges when the Group benefits from such arrangements.
Salaries, wages, and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively.

Pensions
The Group applies the liability approach for all pension schemes. The premium payable during the financial year is charged to the result. Changes in the pension provision are also charged to the result. Please also refer to the valuation principles for assets and liabilities, under Provision for pensions. Reference is also made to the relevant notes with respect to pension schemes of foreign subsidiaries.

Defined benefit schemes
The Group's affiliates participate in different retirement plans. In French entities, the commitments related to these plans are calculated using the projected unit credit method in accordance with ANC recommendation 2013-02 amended on 5 November 2021.
The main pension plan of the Group is 'Indemnités de Fin de Carrière' (IFC) for the French companies' employees. The legislation providing those allowances are paid to employees at the time of their retirement, according to their length of service and their salary at retirement age. The actuarial cost of the commitments is assumed each year during the employees' working life.

The related pension provision is estimated based on actuarial calculations relying on assumptions such as the discount rate, return on investments dedicated to these plans, future salary increases, staff turnover rate, mortality tables and the rate of growth in health spending.
These assumptions are updated at least annually. The main assumptions used are detailed in note 6.6.
The Group considers that the actuarial assumptions used are appropriate and justified under current conditions, however the commitments are likely to change in the event of a change in assumptions.
In accordance with French Gaap, the Group applied the corridor method for the main benefit pension plan in France. Commitments related to defined benefit pension plans are provisioned in the balance sheet.
Actuarial differences reflect the difference between actuarial assumptions and actual figures as well as the impact of any change in actuarial assumptions. In the specific case of pension benefits, these differences are only booked in part on the income statement where they exceed 10% of the maximum between the discounted value of the commitment and the fair value of the plan assets.

The annual charge booked under personnel expenses for defined benefit plans includes:
- additional entitlements vested by each employee (current service cost).
- interest costs arising from the unwinding of the discounting effect.
- the expected return on plan assets (gross yield).
- the amortisation of actuarial gains and losses and past service cost.
- the effect of settlement or curtailment of plans.

Workers' Compensation program (WC program)
The WC program is applicable to WFS business in the United States and is a government mandated business insurance that provides benefits to employees who suffer work-related injuries or illnesses. This insurance provides payment for medical care and for wages from lost work time.
The WFS' WC program benefits from a coverage from a reputable insurance company and is partly self-insured. The acquired companies, Pinnacle and Mercury businesses, are included in the WC program.
WFS has retained a third-party firm to provide an actuarial analysis of its commitment under the self-insured obligations of the WC program and to calculate a reserve for the outstanding loss and allocated adjustment expense (ALAE) for accidents occurred.

3.1.23 Financial result

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which, they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

3.1.24 Income taxes

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

3.1.25 Deferred taxation

Deferred tax assets and liabilities arise from the temporary difference between the carrying amount and the tax base of assets and liabilities. A deferred tax liability shall be recognised for all taxable temporary differences, except for those arising from:

a. the initial recognition of goodwill; or
b. the initial recognition of an asset in a transaction which, at the time of the transaction, has a lower tax base than its carrying amount, which will not reverse.
c. temporary differences associated with investments in subsidiaries other than those related to withholding taxes on expected internal distributions.

The deferred tax assets on deductible temporary differences are recognised to the extent that:

- there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same period as the expected reversal of the deductible temporary difference.
- Or, when there are insufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, to the extent that the entity will probably have sufficient taxable profit relating to the same taxation authority and the same taxable entity in the same period as the reversal of the deductible temporary difference.

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset in the balance sheet for presentation purpose.

3.1.26 Extraordinary items

Exceptional transactions are items by reference to their amount and/or by reference to their nature and are limited for the Group to unusual, abnormal, and infrequent items.
Generally, gains and losses related to win and loss of contract and costs related to opening or closing of station are reported as current operations.

3.1.27 Financial instruments

Foreign exchange and interest rate risks may be hedged on organised markets or over the counter with banking counterparties. According to applicable French Gaap, gains and losses arising from hedging operations would be recognised to match the gains and losses of the hedged items.
On 31 December 2022, the Group does not have any interest rate or foreign exchange hedging instruments outstanding.

3.1.28 Risks

There are a number of risks associated with the strategy and with its implementation.

a) Strategic risks

Our global operations in diverse locations expose us to various economic, political, social, and legal risks that are beyond our control.

On 31 December 2022, we were present at 158 airport stations in 17 countries on five continents, which included operations in Brazil and Thailand. Due to the international scope of our operations, we are subject to a number of political, social, and economic risks and challenges associated with operating in foreign countries, many of which are beyond our control, including political, social, and economic instability, war and civil disturbance, coups or acts of terrorism, natural disasters, changes in government policies and regulations and political intervention in the economy, hyperinflation, etc.

Adverse economic conditions can have a significant adverse effect on the airline industry and our business by reducing demand for our services or increasing price pressure.

Weak or negative economic growth or economic shocks have a substantial effect on the airline industry. Adverse economic conditions tend to reduce the number of business and leisure travellers as well as the volume of cargo being shipped by air. The condition of the airline industry has a substantial effect on our business, since our customers consist of passenger airlines, airports, and freight carriers.

b) Operation risks

- Competition

The cargo handling and ground handling services industry and the markets for WFS services are extremely competitive, and the Group face competition from a number of sources. The decision to opt for an outsourced provider of cargo handling, ground handling and/or the other technical services is often based on the circumstances and strategic plans of a particular potential customer, which WFS cannot necessarily influence with its value propositions. The level of competition depends primarily on the number and size of the other services providers operating at the airports where WFS operates. At many of these airports, the service market is highly competitive, and WFS competes against a number of operators.

- Regulation risk

The industry has traditionally been subject to strict public regulation of access to airports. Although the cargo handling sector in Europe has been fully open to competition since 1999, ground handling activities are still protected at many airports. However, airports and ground handling service providers have increasingly been subject to deregulation, opening the market to a greater number of potential competitors. In airports where we are already established, deregulation may increase ground handling competition and put downward pressure on prices.

- Labor disputes could disrupt our operations or lead to higher labor costs

The Group is subject to the risk of labor disputes, which may disrupt its operations. Labor laws applicable to WFS business in certain countries are relatively rigorous. In numerous cases, labor laws provide for the strong protection of employees' interests. In addition, employees at certain airports are members of unions or, based on applicable regulations, represented by works councils or other bodies. These labor laws and consultative procedures could limit the Group flexibility with respect to employment policy or economic reorganization and could limit our ability to respond to market changes efficiently.

- IT risks

The operations are heavily and increasingly dependent on technology to operate the business. The computer and communications systems on which the Group relies could be disrupted due to various events, including natural disasters, power failures, terrorist attacks, equipment failures, software failures and cybersecurity risks.

c) Financial risks

The Group has exposure to the following financial risks arising from its operations, which are being monitored on a continuous basis:

- Currency risk
- Credit risk
- Liquidity risk

- Currency risk

The revenue, costs, debts, capital expenditure and investments of the Group are mainly denominated in euros, U.S. dollars and British pound sterling. The Group is also exposed to currencies such as the Thai baht, the Brazilian real, the Canadian dollar, the Hong Kong dollar (linked to the U.S. dollar) and the Danish krone, amongst others. Consequently, portions of our revenue, costs, profit margins and asset values are affected by fluctuations in the exchange rates among the above-mentioned currencies. WFS benefits from a natural hedging as the revenue and the operating costs of its subsidiaries are generally denominated in the same currency. However, the fluctuation of currencies against the euro may result in translation risk where the Group financial statements may be significantly impacted.
In addition, some of the currencies the group is exposed to may not be fully convertible or exchangeable or may be subject to exchange controls, which may limit the ability to use or transmit funds within the Group.

On 31 December 2022, the Group does not have any foreign exchange hedging instruments outstanding.

- Interest rate risk

The loans under the Group Revolving Credit Facility and the Floating Rate Notes bear interest at the Euro Interbank Offered Rate ("EURIBOR") for Euro borrowings (LIBOR for borrowings in other currencies), plus a margin, as adjusted periodically. Furthermore, WFS may incur additional indebtedness that bears interest at a floating rate. EURIBOR, LIBOR and/or any other floating interest rate applicable to such indebtedness could rise significantly in the future. To the extent that interest rates were to increase significantly, the Group interest expense would correspondingly increase, thereby reducing its cash flow.

On 31 December 2022, the Group does not have any interest rate hedging instruments outstanding.

- Credit risk

The Group generate a significant portion of its revenue from a comparatively small number of customers. If large contractual partners were to become insolvent, including due to an economic crisis, or if key customers were to halt or curtail their business operations, this could have a material adverse effect on WFS cash flows, financial condition, and results of operations.

The Group cash collection function is performed at local level, where the customer are services and invoiced. However, cash collection is coordinated and monitored at Region level, and the cash collection process is ultimately monitored at Group level by senior executives.
Credit risk is managed both on a subsidiary and on the Group level. On the subsidiaries' level, local management is responsible for monitoring outstanding receivables and applying Group instructions with respect to credit risk policy and actions regarding cash collections. The Group has policies in place to ensure credit levels are maintained based on customer specific analyses.
The Group believes that the strict procedures that have been implemented since many years and reinforced after the emergence of the Covid pandemic have resulted in mitigating the credit risk for the Group. References is made to note 6.4 to the financial statements for the analysis of receivables and the provisions taken for uncollectability.

- Liquidity risk

The Group may require additional financing to fund future working capital requirements, to support the growth of the business and/or to refinance debt obligations.
Additional financing, either on a short-term or a long-term basis, and factoring arrangements may not be available to WFS or, if available, may not be on terms favorable to WFS. The Group factoring agreements are only partially committed financing and our Revolving Credit Facility may not be sufficient to meet WFS needs. Factors that could affect WFS ability to procure financing include general economic conditions, changes in demand for airline services and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources.
In addition, in our technical services business, we are typically required to issue performance bonds to our customers to guarantee our performance. Our ability to obtain such performance bonds from financial institutions depends on such institutions' assessment of our overall financial condition, the risks of the services we provide and our experience.

Reference is made to note 6.8 to the financial statements where the maturity of the financial liabilities is analysed.

3.1.29 Non-consolidated companies

The information related to non-consolidated companies is not provided due to their non-materiality.

3.1.30 Financing costs

Financing costs correspond to the arrangement fees in connection with the Senior Secured Notes issued in 2022 and to the sale and leaseback transaction of the warehouse in Denmark in 2020.
As required by French GAAP, financing costs are capitalized and amortized over the duration of the debt until maturity (*i.e.,* 2027 for the Senior Secured Notes).

3.1.31 Change in accounting estimates of Sale and lease back of the Copenhagen warehouse

On 31 March 2020, WFS Denmark, a wholly owned subsidiary of the Group, entered into a contract for the sale and leaseback of its warehouse and office premises located at Copenhagen airport (CPH).

For the preparation of its full year statutory consolidated financial statements for the year ended 31 December 2020, management assessed that the lease contract qualified as a financial lease under French GAAP and was amortized 15 years.

Since June 2022, management reassessed the useful lives and maturities of the lease liabilities regarding leased buildings on leased land. The lease period is now assessed to be 30 years instead of 15 years in accordance with contractual terms allowing WFS to extend the duration of the contract to such period.

This reassessment resulted in the following adjustments as of 31 December 2022:

- An increase in Financial Debt of lease liability by +€2.0 million and an adjustment of the amortization of the Asset under finance lease by +€0.8 million
- Full retroactive adjustment on finance lease interest of -€3.3 million
- No cashflow impact

4. Information relating to the scope of consolidation

The scope of consolidation of the Group on 31 December 2022, is as follows:

Company	Company / Branch	Head office	Consolidation method	% interest	% voting rights
PROMONTORIA HOLDING 264 B.V.	Company	Oude Utrechtseweg 32 - 3743 KN Baarn - The Netherlands	Parent company	100.00%	100.00%
WFS ACQUISITION SAS	Company	7 Bd de la Madeleine - 75001 Paris - France	Full consolidation	100.00%	100.00%
WFS GLOBAL HOLDING SAS	Company	7 Bd de la Madeleine - 75001 Paris - France	Full consolidation	100.00%	100.00%
WFS GLOBAL SAS	Company	7 Bd de la Madeleine - 75001 Paris - France	Full consolidation	100.00%	100.00%
WFS EMEAA HOLDING SAS	Company	7 Bd de la Madeleine - 75001 Paris - France	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES, INC	Company	1925 W. John Carpenter Fwy Suite 450 Irving - Texas 75063 - USA	Full consolidation	100.00%	100.00%
WFS RECEIVABLES FINANCE, LLC	Company	1675 South State Street, Suite B - Dover, Kent County - Delaware 19901 - USA	Full consolidation	100.00%	100.00%
WFS EXPRESS, INC	Company	1925 W. John Carpenter Fwy Suite 450 Irving - Texas 75063 - USA	Full consolidation	100.00%	100.00%
PINNACLE LOGISTICS	Company	111 W. 4th St, Fort Worth - Texas 76102 - USA	Full consolidation	100.00%	100.00%
MERCURY AIR CARGO LLC	Company	6040 Avion Drive - Los Angeles, CA 90045 - USA	Full consolidation	100.00%	100.00%
MERCURY AIR CARGO SERVICES LLC	Company	11001 Aviation Boulevard - Los Angeles, CA 90045 - USA	Full consolidation	100.00%	100.00%
MAC CARGO HANDLING I LLC	Company	944 North Field Road - San Francisco, CA 94128 - USA	Full consolidation	100.00%	100.00%
MAC CARGO SJC LLC	Company	1521 Airport Boulevard - San Jose, CA 95110 - USA	Full consolidation	100.00%	100.00%
INDEPENDENT CARGO SECURITY SCREENING LLC	Company	6040 Avion Drive - Los Angeles, CA 90045 - USA	Full consolidation	100.00%	100.00%
MAYTAG AIRCRAFT LLC	Company	6145 Lehman Drive, Suite 300 - Colorado Springs - Colorado 80918 - USA	Full consolidation	100.00%	100.00%
MAYTAG AIRCRAFT / TK&K LLC	Company	6145 Lehman Drive, Suite 300 - Colorado Springs - Colorado 80918 - USA	Full consolidation	100.00%	100.00%
MAYTAG AIRCRAFT / TK&K SOCIEDAD LIMITADA	Company	88 Calle Claudio Coello - 28006 - Madrid - Spain	Full consolidation	100.00%	100.00%
TETRA TECH-MAYTAG AIRCRAFT CORPORATION JOINT VENTURE	Company	3475 E Foothill Boulevard - Pasadena - California 91107-6024 - USA	Proportionate	50.00%	50.00%
WORLDWIDE FLIGHT SERVICES, INC (VIRGIN ISLANDS BRANCH)	Branch	Worldwide Flight Services Cyril E King Airport 8100 Lindberg #9 St. Thomas - VI 00802 - Virgin Islands	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES, INC (JAMAICA BRANCH)	Branch	Worldwide Flight Services Henry E Rohlsen Airport St. Croix - VI 00850 - Jamaica	Full consolidation	100.00%	100.00%
OXFORD ELECTRONICS, INC	Company	474 Meacham Avenue Elmont - 11003 - USA	Full consolidation	100.00%	100.00%
WFS PG CARGO COMPANY LTD	Company	777 Moo 7, Racha Thewa, Bang Phli - Samut Prakarn 10540 - Thailand	Proportionate	51.00%	51.00%
JET QUAY PTE LTD	Company	60 Airport Boulevard, CIP Terminal - Singapore 819643	Full consolidation	93.13%	93.13%
WORLDWIDE FLIGHT SERVICES, INC (HONG KONG BRANCH)	Branch	Suite 1501A World Wide House, 19 Des Voeux Road Central Hong Kong - China	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES (HONG KONG) LIMITED	Company	Suite 1501A World Wide House, 19 Des Voeux Road Central Hong Kong - China	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES HOLDING SA (HONG KONG BRANCH)	Branch	Suite 1501A World Wide House, 19 Des Voeux Road Central Hong Kong - China	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES FUELING (HONG KONG) LIMITED	Company	18th Floor , Two Chinachem Plaza, 68 Connaught Road Central Hong Kong - China	Full consolidation	100.00%	100.00%
WORLDWIDE CRUISE TERMNALS (HONG KONG) LIMITED	Company	6th Floor, Alexandra House, 18 Chater Road Central Hong Kong - China	Proportionate	60.00%	60.00%
WFS BELGIUM N.V.	Company	Bedrijvenzone Brucargo Gebouw 712 bus 1, 1830 - Machelen - Belgium	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES HOLDING SA	Company	Cargo 6 - 6 Rue du Pave - CS 11546 Tremblay en France - 95709 Roissy CDG - France	Full consolidation	100.00%	100.00%
SOCIETE DE FRET ET DE SERVICES SAS (SFS FRANCE)	Company	Cargo 6 - 6 Rue du Pave - CS 18212 Tremblay en France - 95703 Roissy CDG - France	Full consolidation	100.00%	100.00%
SOCIETE DE FRET ET DE SERVICES SAS (ITALY BRANCH)	Branch	C/O Studio Sangiorgio Via Settembre 4 - 21013 Gallarate VA - Italy	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES GMBH	Company	WFS GmbH Cargo City Süd - Geb. 556 60459 Frankfurt am Main - Germany	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES SERVICIOS AEROPORTUARIOS, S.A.	Company	Centro de Carga Aérea. Aeropuerto Madrid-Barajas. Parcela 1.2b. Edif.WFS - 28042 Madrid - Spain	Full consolidation	100.00%	100.00%
WFS GROUND HANDLING SOLUTIONS SPAIN S.I.	Company	Centro de Carga Aérea. Aeropuerto Madrid-Barajas. Parcela 1.2b. Edif.WFS - 28042 Madrid - Spain	Full consolidation	100.00%	100.00%
WFS SERVICIOS AEROPORTUARIOS PERU S.A.C.	Company	Avenida Canaval y Moreyra, 452, Piso 17 - Lima - Peru	Full consolidation	100.00%	100.00%
WFS SWEDEN AB	Company	Cargo City, Fraktvägen 36 C, 190 60 Stockholm Arlanda - Sweden	Full consolidation	100.00%	100.00%
WFS DENMARK A/S	Company	Kystvejen 32 2770 Kastrup - Denmark	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES HOLLAND B.V	Company	Anchoragelaan 38 1118 LD Schiphol - The Netherlands	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES (IRELAND) LIMITED	Company	Cargo Terminal 3 Corballis Park Dublin Airport - Ireland	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES LIMITED	Company	Building 552 Shoreham Road East, London Heathrow Airport,Hounslow, Middlesex TW6 3UA - UK	Full consolidation	100.00%	100.00%
WFS GROUND SOLUTIONS LTD	Company	Building 552 Shoreham Road East, London Heathrow Airport,Hounslow, Middlesex TW6 3UA - UK	Full consolidation	100.00%	100.00%
DUNWOODY AIRLINE SERVICES LTD	Company	Building 70, Argosy Road, East Midlands Airport, Castle Donnington, Derby DE74 2SA - UK	Proportionate	60.00%	60.00%
FRANCE HANDLING SAS (FH)	Company	Cargo 5 - 10 Rue du Pavé - CS 18353 Tremblay en France - 95706 Roissy CDG Cedex - France	Full consolidation	100.00%	100.00%
VERY IMPORTANT ANIMALS ROISSY SAS (VIA)	Company	10 Rue du Pavé - Cargo 5 - BP 13367 Tremblay en France - 95706 Roissy CDG Cedex - France	Full consolidation	100.00%	100.00%
ROISSY HANDLING SAS (RH)	Company	Cargo 5 - 10 Rue du Pavé - BP11431 Tremblay en France - 95707 Roissy CDG Cedex - France	Full consolidation	75.00%	75.00%
R.A.HAND	Company	Cargo 4 - 23-34 rue des Voyelles - Bâtiment n°3520 - Tremblay en France - 93290 - France	Full consolidation	75.00%	75.00%
GLOBAL FREIGHT SERVICES (GFS)	Company	Cargo 5 - 10 Rue du Pavé - CS 18353 Tremblay en France - 95706 Roissy CDG Cedex - France	Full consolidation	100.00%	100.00%
GLOBAL SERVICE HANDLING SAS (GSH)	Company	24 Route du Midi - Cargo 4 - BP 17125 Tremblay en France - 95701 Roissy CDG - France	Proportionate	49.25%	49.25%
WFS ACADEMY (AIRPORT COLLEGE)	Company	Cargo 5 - 10 Rue du Pavé - CS 12174 Tremblay en France - 95706 Roissy CDG Cedex - France	Full consolidation	100.00%	100.00%
DEDICATED FREIGHT SERVICES SAS	Company	10 rue du Pavé - Aeroport CDG - Zone de Cargo 5 - 93290 Tremblay en France - France	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES (ASIA AFRICA HOLDINGS), LIMITED	Company	6th Floor, Alexandra House, 18 Chater Road - Central Hong Kong - China	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES (SOUTH AFRICA) PTY LIMITED	Company	No.3 Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Gauteng, 1609 - South Africa	Proportionate	60.00%	60.00%
EUROPEAN FLIGHT SERVICES SAS (EFS)	Company	Cargo 6 - 6 Rue du Pave - CS 16276 95704 Roissy CDG - France	Full consolidation	100.00%	100.00%
CONNECTING FLIGHT SERVICES SAS (CFS)	Company	Cargo 6 - 6 Rue du Pave - CS 16276 95704 Roissy CDG - France	Full consolidation	100.00%	100.00%
AQUARAILE SERVICES SAS (AAS)	Company	Cargo 6 - 6 Rue du Pave - CS 16276 95704 Roissy CDG - France	Full consolidation	100.00%	100.00%
CONNECTING GROUND SERVICES SAS (CGS)	Company	Cargo 6 - 6 Rue du Pave - CS 16276 95704 Roissy CDG - France	Full consolidation	100.00%	100.00%
BAG GROUND SERVICES SAS (BGS)	Company	Cargo 6 - 6 Rue du Pave - CS 16276 95704 Roissy CDG - France	Full consolidation	100.00%	100.00%
ORBITAL SERVICOS AUXILIARES DE TRANSPORTE AEREO LTDA	Company	Avenida Helio Smidt, S/N-Terminal 01 - Asa B-Mezanino - Caixa Postal 3032 - Aeroporto Internacional de Guarulhos - Guarulhos - Estado de of São Paulo - Brazil	Full consolidation	80.00%	80.00%
WFS BRASIL INVESTIMENTOS E PARTICIPACOES LTDA	Company	Avenida Paulista, 854 – 10th floor – Bela Vista, 70712-900 São Paulo, State of São Paulo - Brazil	Full consolidation	100.00%	100.00%
WFS ITALIA SRL	Company	Via Gabriele d'Annunzio 2, 21010 Vizzola Ticino (VA) - Italy	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES MIDDLE EAST FZE	Company	Suite 4A614, 4EA (East Wing), Dubai Airport Free Zone, Dubai - United Arab Emirates	Full consolidation	100.00%	100.00%
FCS FRANKFURT CARGO SERVICES GMBH	Company	Building 178, 60547 Frankfurt am Main - Germany	Proportionate	51.00%	51.00%
CARGO AIRPORT SERVICES CANADA INC	Company	3700 – 1 Place Ville-Marie, Montreal, Quebec H3B 3P4 - Canada	Full consolidation	100.00%	100.00%
WORLDWIDE FLIGHT SERVICES HOLDINGS, INC	Company	1925 W. John Carpenter Fwy Suite 450 Irving - Texas 75063 - USA	Full consolidation	100.00%	100.00%
WFS (BENGALURU) PRIVATE LIMITED	Company	Administration block, Kempegowda International Airport, Bengaluru, Bangalore, Karnataka, India, 560300	Full consolidation	74.00%	74.00%

Changes in scope of consolidation are described in Note 3.1.4.

5. Income statement main items

5.1 Revenue

Consolidated revenue by geographical area and sector

Revenue breaks down by geographical area as follows:

In thousands of euros	**31/12/2022**	**31/12/2021**
USA	1,158,442	740,380
France	266,599	225,415
UK	109,017	79,036
Spain	89,635	69,099
Brazil	86,083	49,814
Belgium	55,834	43,588
Germany	52,322	55,092
Netherlands	40,985	34,743
Thailand	30,721	28,848
Hong-Kong	26,261	18,081
Denmark	23,617	20,087
Ireland	14,250	9,151
Italy	12,553	8,917
Canada	9,653	6,557
South Africa	5,499	4,599
Singapore	4,655	1,053
Sweden	2,575	2,616
Total per geographical area	**1,988,702**	**1,397,075**

Revenue breaks down by Region and business unit as follows:

In thousands of euros	**31/12/2022**	**31/12/2021**
North America - Cargo	891,435	593,513
North America - Ground	179,579	115,604
North America - Technical	97,081	37,819
North America	1,168,096	746,936
South America - Ground	86,083	49,814
South America	86,083	49,814
EMEAA - Cargo	615,403	527,397
EMEAA - Ground	119,121	72,927
EMEAA	734,523	600,325
Total per sector	**1,988,702**	**1,397,075**

5.2 Depreciation, amortisation, and provisions

Depreciation, amortisation, and provisions are detailed as follows:

In thousands of euros	Note	31/12/2022	31/12/2021
Amortisation & depreciation of intangible and tangible assets		(82,711)	(58,299)
Net changes to provisions for contingencies		2,650	(3,406)
Net depreciation charges on current assets		677	2,253
Net changes to provisions for retirement and other employee benefits		178	(7,822)
Net changes to provisions		3,505	(8,975)
Total		**(79,206)**	**(67,274)**

For the period ending on 31 December 2022:

- Depreciation and Amortization of intangible and tangible assets amounted to €(66.2) million as Field Expenses and Operating Overheads and €(16.5) million as Other operating income and expenses.
  On 31 December 2022, amortisation of intangible assets in the Field Expenses and Operating Overheads included €(12.9) million related to customers relationship amortization within the Mercury Business and €(6.1) million related to customers relationship amortization within Pinnacle Logistics following the purchase price allocation (PPA) performed in 2022.
- The net change to provisions included €2.7 million as Field Expenses and Operating Overheads and €0.8 million as Other operating income and expenses.
- The net change in provisions for contingencies included notably the US worker's compensation provision for €(1.7) million. The reversals of provision for onerous contract for €1.6 million and Legal provisions in the US for €1.1 million.
- The net change in provisions for impairment of assets included notably €1.2 million of the reversal of provision for bad debt recorded in December 2019 consecutively to the liquidation of the Indian airline company Jet Airways (India) Limited (the related account receivables have been written-off, the net impact in the consolidated income statements is nil).

For the period ending on 31 December 2021:

- Depreciation and Amortization of intangible and tangible assets amounted to €(55.8) million as Field Expenses and Operating Overheads and €(2.5) million as Other operating income and expenses.
- The net change to provisions included €(11.6) million as Field Expenses and Operating Overheads and €2.6 million as Other operating income and expenses.
- The net change in provisions for contingencies included notably the US worker's compensation provision for €(2.8) million, Aircraft damage provision for €(2.4) million and cargo claim for €(0.5) million. A reversal of €2.6 million of the provision booked to cover costs expected related to the subsidiaries placed into administration that has been used during the period.
- The net change in provisions for impairment of assets included notably the reversal of the Latam bad debts provisions for €3.8 million. €(2.0) million of provision for bad debt consecutively to the suspension of all operations of the Brazilian airline company Itapemirim Transportes Aéreos.

5.3 Financial income and expenses

Financial income/(expense) are detailed as follows:

In thousands of euros	31/12/2022	31/12/2021
Foreign exchange gains	3,740	1,738
Other financial income	1,604	1,847
Capital gains on share disposals	2,211	4,347
Total financial income	**7,555**	**7,932**
Foreign exchange losses*	(27,614)	(1,783)
Other financial expenses	(38,559)	(16,630)
Impairment of current and non-current financial assets	(1,775)	(995)
Financial expenses on borrowings	(80,453)	(53,160)
Total financial expenses	**(148,401)**	**(72,568)**
Net financial income/(expense)	**(140,846)**	**(64,636)**

** On 31 December 2022, the conversion in EUR of the $400.0 million, USD portion of the bonds, leads to recognize a provision for foreign exchange loss of €(25.9) million.*

For the period ending on 31 December 2022, the capital gains on share disposals (€2.2 million) corresponds to the deconsolidation of Airport Ramp Services (see note 3.1.4).

For the period ending on 31 December 2021, the capital gains on share disposals (€4.3 million) corresponds mainly to the deconsolidation of BFS (see note 3.1.4).

5.4 Extraordinary items income/(expense)

The extraordinary items income/(expense) correspond to the cost that are not related to the normal course of the business of the Group.

In thousands of euros	31/12/2022	31/12/2021
France Ground - Social charges relief	-	1,820
Loss on fixed asset disposals	(58)	(173)
Gain on fixed asset disposal	6	1,708
Total extraordinary items income/(expense)	**(52)**	**3,355**

For the period ending on 31 December 2021, the Group received from URSSAF a relief of €1.8 million related to 2020 social charges of France Ground companies which has been recorded as an exceptional income. Moreover, the net impact of WFS Belgium early termination on the operating lease contract for facilities at Brussels airport amounted to €1.5 million.

5.5 Income tax expense

Net income tax expense breaks down as follows:

In thousands of euros	31/12/2022	31/12/2021
Current tax	(21,478)	(24,646)
Deferred tax	29	9,499
Income tax income/(expense)	**(21,450)**	**(15,147)**

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the theoretical tax rate applicable to profits of the consolidated companies as follows:

In thousands of euros	**31/12/2022**	**31/12/2021**
Net income/(loss) - Group share	(69,186)	69,563
Total income tax income/(expense) (current & deferred)	(21,450)	(15,147)
Taxable income	**(47,736)**	**84,710**
Standard CIT rate	25.00%	25.00%
Theoretical taxable income/(expense)	**11,789**	**(21,178)**
Difference from standard rate (parent cy) / foreign rate	**5,202**	**6,286**
Permanent differences	**1,531**	**7,342**
Change in unrecognized temporary differences (incl. Tax losses carried forward)	**(39,566)**	**(1,601)**
Total tax rate differences	**(406)**	**(5,996)**
Total recomputed tax income/(expense)	**(21,450)**	**(15,147)**
Total recognised tax income/(expense)	**(21,450)**	**(15,147)**
Effective tax rate	**-44.93%**	**17.88%**

Deferred taxes break down as follows:

In thousands of euros	**31/12/2022**	**31/12/2021**
Opening	**(35,301)**	**(44,505)**
Deferred tax income/(loss) - P&L impact	29	9,499
Forex impact	912	(295)
Deferred tax assets	**7,755**	**3,472**
Deferred tax liabilities	**(42,117)**	**(38,773)**
Closing	**(34,361)**	**(35,301)**

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset in the balance sheet for presentation purpose.

Deferred taxes by nature break down as follows:

In thousands of euros	**31/12/2022**	**31/12/2021**
Tax losses carried forward	29,936	17,336
Non-deductible provisions	13,566	5,450
Finance lease adjustements	(1,599)	(1,993)
Tangible and intangible fixed assets	(7,425)	(3,554)
Retirement obligations & others advantages	8,704	6,928
Deferred tax liabilities related to PPA	(74,677)	(64,081)
Other temporary differences	(2,867)	4,612
TOTAL	**(34,361)**	**(35,301)**

For the period ending on 31 December 2022, a total amount of €29.9 million has been recognized as tax losses carried forward in the net deferred tax assets mainly in France and US. The deferred tax assets not recognized amounted to €105.7 million after assessment of their recoverability, of which €60.4 million for France (disallowed interest expense and Tax losses carried forward) and €40.3 million for the US (mainly disallowed interest expense).

For the period ending on 31 December 2021, a total amount of €17.3 million has been recognized as tax losses carried forward in the net deferred tax assets.

6. Balance sheet main items

6.1 Intangible assets

6.1.1 Goodwill

Goodwill by cash generating units (CGU) is detailed below:

In thousands of euros	31/12/2021			31/12/2022			
	Gross value	Impairment	Net	Related to PPA*	Forex and Reclassification	Gross value	Net
EMEAA	431,281	(91,668)	339,613	-	(3,126)	428,155	336,487
North America	481,262	(64,018)	417,244	(120,910)	9,705	370,056	306,038
South America	18,857	(12,932)	5,925	-	-	18,857	5,925
Total	**931,400**	**(168,618)**	**762,782**	**(120,910)**	**6,579**	**817,068**	**648,450**

** Related to PPA of Mercury Business and Pinnacle Logistics described below*

In millions of euros	Promontoria Holding 264 B.V.
Goodwill Gross value as of December 2020	**650.7**
BFS deconsolidation effect	(2.4)
Mercury Air Cargo, Inc. and Maytag Aircraft Corporation	217.1
Pinnacle Logistics acquisition effect	61.8
CBS partial business acquisition effect	3.1
R.A.Hand acquisition effect	1.1
Goodwill Gross value as of December 2021	**931.4**
Mercury Air Cargo, Inc. and Maytag Aircraft Corporation	(99.4)
Pinnacle Logistics - PPA allocation	(21.5)
Reclassification to Other Intangible Assets	(3.1)
Forex impact	9.7
Goodwill Gross value as of December 2022	**817.1**

On 31 December 2021, the main variance (+€283.1 million) on goodwill resulted from the acquisition of Pinnacle Logistics and the Mercury Business. Also note the acquisition of R.A.Hand and assets and liabilities related to the former CBS business (see note 2.5).

As of December 2022, the goodwill of Mercury Business and Pinnacle Logistics was allocated as follows:

In millions of euros	Mercury Business PPA allocation
Goodwill before allocation - December 2021	**217.1**
Adjustment on net equity of the acquired company	(1.2)
Various adjustments*	1.8
Adjustments	**0.6**
Intangible assets, customer relationship	(61.0)
Intangible assets, contract	(38.2)
Intangible assets, trademark	(0.8)
Net intangible assets, including deferred tax	**(100.0)**
Total	**(99.4)**
Forex impact	7.2
Gross value - Goodwill as of December 2022	**124.8**

In millions of euros	Pinnacle Logistics PPA allocation
Goodwill before allocation - September 2021	**61.8**
Legal settlement accruals	5.0
Various adjustments*	1.3
Adjustments	**6.3**
Intangible assets, customer relationship	(27.8)
Net intangible assets, including deferred tax	**(27.8)**
Total	**(21.5)**
Forex impact	2.5
Gross value - Goodwill as of September 2022	**42.8**

** Various adjustments are notably accruals for bonuses and other penalties.*

The main intangible assets which were identified as part of Mercury and Pinnacle PPA represent customer relationships and contracts. These were valued and amortized taking into consideration their useful remaining lives spanning between 11 and 31 years. Moreover, the Maytag trademark was valued and considered as having an indefinite useful life.

The Group conducted analysis to assess the cost value based on the contemplated use by the company of acquired intangible and tangible assets, deferred tax, and contingent liabilities.

Impairment tests were conducted using the methods detailed in note 3.1.7 of the accounting policies. The key model assumptions used, such as the discount rate, take into account the global economic context.
The long-term growth rates used for estimating the cash flows of cash-generating units or groups of cash-generating units were lower than the Group's historical average growth rates. Growth rates are comprised between 1.5% and 2.1% in mature markets, and up to 3.0% in emerging markets.
The weighted average cost of capital ("WACC") used was 11.6% on 31 December 2022 (10.3% on 31 December 2021). The WACC is adjusted for the activity and the geographical location of the cash-generating units being tested.

The result of the impairment test did not warrant the impairment of the goodwill.

Sensitivity test on basis of the impairment test 2022

Headroom margin in the impairment test in €M	**LTGR -0,5%**	**LTGR**	**LTGR +0,5%**
WACC +1%	409.5	475.5	548.3
WACC	600.9	683.8	776.0
WACC -1%	836.0	942.4	1,062.3

Sensitivity test on basis of the impairment test 2021

Headroom margin in the impairment test in €M	**LTGR -0,5%**	**LTGR**	**LTGR +0,5%**
WACC +1%	566.4	640.8	723.7
WACC	779.0	875.0	983.4
WACC -1%	1,047.3	1,174.7	1,321.3

6.1.2 Other intangible assets

Other intangible assets are detailed below:

In thousands of euros	31/12/2021	Increase	Decrease	Change in consolidation	Forex impact	Change related to PPA*	Reclassification	31/12/2022
R&D costs	-	-	-	-	-	-	-	-
Patents, licenses and equivalent	356,649	-	-	-	12,680	127,847	-	497,177
Computer software	25,918	511	(416)	(3)	1,271	-	161	27,442
Intangible rights under concession contracts	55,144	-	-	-	1,225	-	-	56,369
Other intangible assets	8,826	127	(128)	-	795	-	3,126	12,746
Gross intangible assets	**446,537**	**638**	**(544)**	**(3)**	**15,971**	**127,847**	**3,287**	**593,734**
R&D costs	-	-	-	-	-	-	-	-
Patents, licences and equivalent	(66,788)	(32,756)	-	-	(725)	-	-	(100,269)
Computer software	(24,254)	(765)	416	3	(1,199)	-	-	(25,799)
Intangible rights under concession contracts	(22,402)	(7,042)	-	-	(502)	-	-	(29,946)
Other intangible assets	(5,297)	(4,400)	128	-	(334)	-	-	(9,903)
Amortisation	**(118,742)**	**(44,962)**	**544**	**3**	**(2,759)**	**-**	**-**	**(165,917)**
Net intangible assets	**327,795**	**(44,324)**	**-**	**-**	**13,212**	**127,847**	**3,287**	**427,817**

** Related to PPA of Mercury Business and Pinnacle Logistics (see note 6.1.1)*
The change in consolidation scope corresponds to the effect of the deconsolidation of ARS mentioned in the Note 3.1.4.

Patents, licences, and equivalent are detailed below:

	31/12/2021	Amortisation	Change related to PPA*	Forex and Reclassification	31/12/2022
Customer relationships and Contracts	317,836	-	127,053	12,631	457,520
Trademark	33,304	-	795	49	34,148
Ground licence	5,464	-	-	-	5,464
Other	45	-	-	-	45
Gross Patents, licences and equivalent	**356,649**	**-**	**127,847**	**12,680**	**497,177**
Customer relationships and Contracts	(65,501)	(32,260)	-	(725)	(98,486)
Trademark	-	-	-	-	-
Ground licence	(1,242)	(496)	-	-	(1,738)
Other	(45)	-	-	-	(45)
Amortisation	**(66,788)**	**(32,756)**	**-**	**(725)**	**(100,269)**
Patents, licences and equivalent	**289,861**	**(32,756)**	**127,847**	**11,955**	**396,908**

** Related to PPA of Mercury Business and Pinnacle Logistics (see note 6.1.1)*

6.2 Tangible assets

Tangible assets are detailed below:

In thousands of euros	31/12/2021	Increase	Decrease	Change in consolidation scope	FOREX impact	Reclassification	31/12/2022
Buildings	69,827	4	-	-	(0)	-	69,831
Technical equipment & tooling	178,146	14,358	(4,345)	(386)	5,297	2,761	195,831
Assets held under finance leases	99,693	758	(50)	-	995	6,588	107,984
Other tangible assets	122,188	10,990	(6,238)	(110)	3,486	5,377	135,694
Tangible assets under construction	14,059	19,450	(157)	-	211	(15,168)	18,396
Gross tangible assets	**483,914**	**45,561**	**(10,790)**	**(496)**	**9,989**	**(442)**	**527,736**
Buildings	(50,319)	(3,008)	-	-	(0)	64	(53,264)
Technical equipment & tooling	(108,944)	(18,961)	3,960	386	(2,336)	84	(125,811)
Assets held under finance leases	(61,240)	(3,547)	50	-	(807)	247	(65,297)
Other tangible assets	(83,803)	(12,232)	5,853	101	(2,169)	(176)	(92,426)
Tangible assets under construction	-	-		-	-	-	-
Depreciation	**(304,306)**	**(37,749)**	**9,863**	**487**	**(5,312)**	**219**	**(336,798)**
Net tangible assets	**179,608**	**7,812**	**(927)**	**(9)**	**4,677**	**(223)**	**190,938**

The change in consolidation scope corresponds to the effect of the deconsolidation of ARS mentioned in the Note 3.1.4.

Assets under finance lease break down as follows:

In thousands of euros	31/12/2021	Increase	Decrease	Changes in consolidation scope	FOREX impact	Reclassification	31/12/2022
Buildings held under finance leases	69,646	-	-	-	3	6,835	76,484
Technical equipment & tooling held under finance leases	27,968	293	(50)	-	1,095	(247)	29,060
Other tangible assets held under finance leases	2,079	465	-	-	(103)	-	2,441
Gross assets held under finance leases	**99,693**	**758**	**(50)**	**-**	**995**	**6,588**	**107,984**
Buildings held under finance leases	(40,260)	(2,094)	-	-	0	-	(42,353)
Technical equipment & tooling held under finance leases	(20,470)	(1,053)	50	-	(845)	247	(22,072)
Other tangible assets held under finance leases	(509)	(400)	-	-	37	-	(872)
Depreciation	**(61,240)**	**(3,547)**	**50**	**-**	**(807)**	**247**	**(65,297)**
Net assets held under finance leases	**38,453**	**(2,789)**	**-**	**-**	**188**	**6,835**	**42,687**

The main variance in building held under finance leases is explained by a new building extension in Denmark under finance lease.

6.3 Financial assets

Long-term investments are mainly composed of deposits and guarantees, with the remaining balance consisting of non-consolidated securities.

In thousands of euros	31/12/2021	Increase	Decrease	Change in consolidation scope	Forex impact	Reclassification	31/12/2022
Non consolidated companies	22,366	-	-	10	2	38	22,415
Deposits and guaranties	30,863	19,256	(1,001)	(38)	1,319	-	50,399
Accrued interests on Deposits and guaranties	164	17	-	-	(14)	-	168
Tax credit receivable (CICE) net from prefinancing	206	-	(206)	-	-	-	-
Gross financial assets	**53,599**	**19,273**	**(1,207)**	**(28)**	**1,307**	**38**	**72,983**
Non consolidated companies	(22,296)	(0)	(0)	-	(1)	-	(22,298)
Deposits and guaranties	(1,340)	-	1,340	-	-	-	-
Accrued interests on Deposits and guaranties	-	-	-	-	-	-	-
Provisions	**(23,636)**	**(0)**	**1,340**	**-**	**(1)**	**-**	**(22,298)**
Net financial assets	**29,962**	**19,273**	**133**	**(28)**	**1,306**	**38**	**50,685**

The change in consolidation scope corresponds to the effect of the deconsolidation of ARS mentioned in the Note 3.1.4.
The non-consolidated companies are the deconsolidated entities CBS, BFS, OFS and OPS.

6.4 Operating receivables

In thousands of euros	31/12/2022 Gross	31/12/2022 Provisions	31/12/2022 Net	31/12/2021 Net
Trade receivables and related accounts [1]	246,978	(14,753)	232,225	194,107
Receivables on operating tangible asset disposals	233	-	233	221
Affiliates - tax consol. current accounts	-	-	-	56
Affiliates - operating current accounts	37	-	37	-
Receivables from the State - CIT	24,803	-	24,803	22,111
Other tax and employee receivables	21,627	-	21,627	18,528
Other operating receivables	10,722	-	10,722	11,228
Advances and prepayments	3,474	-	3,474	1,451
Trade receivables and related accounts (I)	**307,875**	**(14,753)**	**293,122**	**247,702**
Financial receivables [2]	28,928	(1,340)	27,588	23,412
Financing costs	22,918	-	22,918	18,303
Financial asset current accounts [3]	21,671	(19,782)	1,889	2,271
Other receivables	73,516	(21,122)	52,394	43,987
Prepaid expenses & deferred charges	18,170	-	18,170	18,056
Other receivables & prepayments (II)	**91,687**	**(21,122)**	**70,565**	**62,043**
Total (I+II)	**399,562**	**(35,875)**	**363,687**	**309,745**

The variation between 31 December 2021 and 31 December 2022 of trade receivables included forex effect of €5.8 million.

(1) The depreciation on trade receivables reported in December 2022 accounts for €14.8 million and relates mainly to provisions for bad debts: €4.7 million mainly related to Avianca and Interjet, those airlines failures being direct consequences of the Covid crisis, €3.1 million consecutively to the deconsolidation of CBS (see note 2.5), €2.3 million consecutively to the suspension of all operations of the Brazilian airline company Itapemirim Transportes Aéreos on 17 December 2021 and €1.0 million consecutively to the liquidation of the British airline company FlyBe.

(2) The depreciation on financial receivables reported as of 31 December 2022 for €1.3 million corresponds to receivables from WFS Airport Solutions considered as third party as a consequence of its deconsolidation.

(3) The depreciation on financial assets current accounts reported as of 31 December 2022 for €19.8 million corresponds to the accounts with the Orly entities (€9.7 million), CBS (€9.7 million), ARS (€0.2 million) and WFS Airport Solutions (€0.2 million) considered as third party as a consequence of their deconsolidation.

Receivables mature as follows:

In thousands of euros	31/12/2022	31/12/2021
Less than 1 year	363,687	304,789
More than 1 year	-	4,956
More than 5 years	-	-
Total	**363,687**	**309,745**

The Group reviews the recoverability of receivables and verifies that unprovided receivables maturing in over one year do not present any recovery issues.

6.5 Shareholders' equity

Changes in shareholders' equity are shown below:

In thousands of euros	Share capital	Share premium	Consolidated reserves	Translation reserves	Net income/(loss) for the period	Minority interests	Total shareholders' equity
As at 31/12/2020	**0**	**506,401**	**(147,942)**	**(7,004)**	**(143,633)**	**(4,398)**	**203,424**
Capital increase	-	1,690	-	-	-	(1)	**1,689**
Appropriation of net income/(loss)	-	-	(143,633)	-	143,633	-	**-**
Dividends paid to minority interests (Orbital)	-	-	-	-	-	(467)	**(467)**
Translation differences	-	-	-	11,224	-	10	**11,234**
Other	-	-	(92)	-	-	1	**(91)**
Net income/(loss) for the period	-	-	-	-	69,561	205	**69,766**
As at 31/12/2021	**0**	**508,091**	**(291,667)**	**4,220**	**69,561**	**(4,650)**	**285,555**
Capital variation	-	(3,470)	-	-	-	12	**(3,458)**
Appropriation of net income/(loss)	-	-	69,561	-	(69,561)	-	**-**
Change in scope	-	-	(9)	-	-	-	**(9)**
Capital increase by minority interests (Orbital)	-	-	-	-	-	2,131	**2,131**
Translation differences	-	-	-	(3,884)	-	(38)	**(3,922)**
Other	-	-	(6)	-	-	(9)	**(15)**
Net income/(loss) for the period	-	-	-	-	(69,186)	422	**(68,764)**
As at 31/12/2022	**0**	**504,621**	**(222,122)**	**336**	**(69,186)**	**(2,132)**	**211,517**

Following the CRC99-02 rule, the minority interests negative is reclassified in the Group shareholders' equity in the balance sheet presentation.

Capital increase:
On 14 October 2021, a cash wire transfer in the amount of 1,690 thousand euros as share premium was made by the parent company to Promontoria Holding 264 B.V. The capital increase had no impact on the number of existing shares.

On 17 January 2022, a cash wire transfer in the amount of 2,390 thousand euros as share premium was made by the parent company to Promontoria Holding 264 B.V. The capital increase had no impact on the number of existing shares.

On 18 May 2022, a cash wire transfer in the amount of 140 thousand euros as share premium was made by the parent company to Promontoria Holding 264 B.V. The capital increase had no impact on the number of existing shares.

On 7 October 2022, Promontoria Holding 264 B.V. repaid an amount of 6,000 thousand euros to its parent company as a redemption of share premium, thus reducing its shareholders' equity by the same amount. The capital decrease had no impact on the number of existing shares.

On 31 December 2022, the share premium amounts to 504,621 thousand euros.

The ownership of Promontoria Holding 264 B.V. share capital is shown below:

	As at 31/12/2022
Promontoria Holding 263 B.V.	100.0%
TOTAL	**100.0%**

6.6 Provisions

In thousands of euros	31/12/2021	Increase	Reversal used	Reversal unused	Related to PPA*	Forex impact	31/12/2022
Provisions for retirement benefits	19,921	(267)	-	(48)	-	(544)	19,062
Provisions for other employee benefits	363	137	-	-	-	-	500
Provisions for litigation	8,804	2,180	(4,604)	(1,995)	3,271	777	8,434
Provisions for other contingencies	31,189	7,499	(5,642)	(57)	-	1,523	34,512
Provisions for foreign exchange risks	380	27,513	-	-	-	(35)	27,859
Total	**60,657**	**37,061**	**(10,245)**	**(2,100)**	**3,271**	**1,722**	**90,366**
Less than 1 year	39,557						70,594
More than 1 year	21,100						19,772

** Related to PPA of Mercury Business and Pinnacle Logistics (see note 6.1.1)*

- The provisions for litigation include mainly Legal reserve related to the PPA of Pinnacle Logistics for €4.9 million, HR litigation for €2.7 million and Cargo claims for €0.7 million.

- The provisions for other contingencies include notably the US worker's compensation provision for €23.0 million, US medical costs provision for €3.7 million, Aircraft damage provisions for €3.5 million and other HR settlements provisions for €1.4 million.

- On 31 December 2022, the conversion in EUR of the $400.0 million, USD portion of the bonds, leads to the recognition of a provision for foreign exchange loss of €(25.9) million.

Defined benefit schemes

The Group's main defined benefit pension schemes are in France and Thailand:

- France: all employees with a permanent employment contract are covered by the statutory retirement termination payment scheme which provides for a one-off payment on retirement. This scheme is partially funded by insurance contracts.
- Thailand: certain employees are entitled when leaving their employer to a termination payment based on seniority.

The other main employee benefit plans are as follows:

- The United States: employees may benefit from a healthcare plan covering workplace accident (recognized as other contingencies).
- In most countries, employees are also covered by defined contribution schemes under which the Group has no obligation other than the payment of contributions.

The provision for defined benefit pension schemes breaks down as follows:

in thousands of euros	31/12/2022	31/12/2021
France	17,260	18,244
Thailand	1,618	1,446
Germany	184	231
Provisions for retirement benefits	**19,062**	**19,921**
United States(*)	22,969	20,709
Total	**42,031**	**40,630**

(*) Healthcare plan covering workplace accidents

The following tables provide a breakdown of the expense, and the balance sheet accounts for retirement termination payments in France.

The expense breaks down as follows for the period ended 31 December 2022 and 31 December 2021:

in thousands of euros	**31/12/2022**	**31/12/2021**
Current service cost	1,155	1,057
Interest expense	182	69
Actuarial gains and losses arising during the period	339	149
Expected return on plan assets	-6	-5
Total expense	**1,670**	**1,270**

Changes in the defined provision in France comprised:

in thousands of euros	**31/12/2022**	**31/12/2021**
Opening provision	**18,244**	**12,332**
Change in the scope of consolidation	-1,800	3,783
Current service cost	1,155	1,057
Interest expense	182	69
Actuarial gains and losses	339	1,021
Adjustment of opening provision post-closing	-609	-
Benefits paid	-286	32
Other	34	-52
Closing provision	**17,260**	**18,244**

Provision recognized in the accounts:

in thousands of euros	**31/12/2022**	**31/12/2021**
Defined benefit obligation	16,682	20,018
Fair value of plan assets	-619	-681
Funded status	**16,063**	**19,337**
Past service costs not recognized	-	-
Surplus not recognized	1,196	-1,093
Provision recorded	**17,260**	**18,244**

In France, actuarial gains, and losses (mainly due to the change in assumption on the discount rate) in absolute value at 10% of the actuarial liability are amortized over a 10-year period in the future. The amortization period of the 10-year actuarial difference is less than the average residual life expectancy of employees on 31 December 2022, this results from a choice of management.

The discount rate is determined based on high-quality corporate bond yields in the euro zone.

	31/12/2022	31/12/2021
Discount rate	3.70%	0.90%
Rate of salary increase (including inflation)		
Less 30 years old	3.50%	3.00%
Between 30-39 years old	3.00%	2.50%
Between 40-49 years old	2.50%	2.00%
More than 50 years old	2.00%	1.50%
Expected return on plan assets	0.74%	0.40%

On 31 December 2021 and on 31 December 2022, the data from French companies are as follows:

	Categories			Group
	Executive, managerial and corporate staff	Employee staff	Technical staff	
Headcount	211	1,701	268	**2,180**
Average age	50	47	49	**48**
Average seniority	18	16	23	**17**
Annual payroll	22,169,073	58,588,458	12,720,945	**93,478,477**
Annual average wages	105,067	34,444	47,466	**42,880**

		Categories		
		Executive, managerial and corporate staff	Employee staff	Technical staff
Age	Minimum	28	20	25
	Medium	50	47	49
	Maximum	70	72	67
Seniority	Minimum	0	0	0
	Medium	18	16	23
	Maximum	43	48	46
Age on recruitment	Minimum	18	18	18
	Medium	32	31	27
	Maximum	58	61	49

6.7 Other provisions for contingencies and losses

To the best of management's knowledge, there are no exceptional items or litigation likely to have a material impact on the Group's activities, results, assets, or financial position that have not been adequately provided or detailed in the Notes to the accounts, based upon the latest available update of the relevant situations.

6.8 Financial liabilities and net borrowings

In thousands of euros	31/12/2021	Increase	Decrease	Forex impact	Other: Scope effect & Reclassification	31/12/2022
Secured Bonds [1]	885,000	965,023	(885,000)	-	-	965,023
Accrued interests on secured bonds	12,595	65,767	(59,729)	-	-	18,633
Revolving Credit Facility	-	-	-	-	-	-
Accrued interests on Revolving Credit Facility	-	-	-	-	-	-
Other bank borrowings [2]	67,361	5,538	(7,199)	4,301	-	70,001
Finance lease borrowings	52,782	26,157	(13,376)	709	-	66,273
Other borrowings [3]	41,220	8,141	(2)	2,447	16	51,822
Financial current account liabilities	4,683	-	(3,311)	0	(22)	1,350
Bank overdraft	625	-	(136)	44	-	533
I – Total borrowings	**1,064,268**	**1,070,626**	**(968,753)**	**7,501**	**(7)**	**1,173,635**
Financial receivables	5,081	356	(3,632)	(4)	(1,340)	461
Financial current account assets	2,271	-	(8,984)	(119)	8,720	1,889
Marketable securities	1	1,384	-	1	-	1,386
Cash and cash equivalents	158,534	-	(6,034)	3,651	(1)	156,149
II – Financial assets	**165,887**	**1,740**	**(18,651)**	**3,529**	**7,379**	**159,885**
Net borrowings (I - II)	**898,381**	**1,068,886**	**(950,103)**	**3,972**	**(7,386)**	**1,013,750**

(1) On 9 February 2022, the Group completed the refinancing of its capital structure as it repaid the Senior Secured Notes of €660 million maturing in August 2023 and the €225 million acquisition facility used to fund the acquisition of the Mercury Business.

(2) Other bank borrowings include the PSP Promissory Note amounted to €50.3 million as of 31 December 2022.

In thousands of euros	Interest rate	Maturity	31/12/2022	31/12/2021
EUR Senior Secured Notes 2023	6.75%	August 23	-	400,000
EUR Senior Secured Floating Rate Notes 2023	EURIBOR + 6.25%	August 23	-	260,000
Acquisition Bridge loan	EURIBOR + 7.00%	Dec 2022	-	225,000
EUR Senior Secured Notes 2027	6.375%	March 27	340,000	-
USD Senior Secured Notes 2027	7.875%	March 27	375,023	-
EUR Senior Secured Floating Rate Notes 2027	EURIBOR + 6.125%	March 27	250,000	-
Secured Bonds			965,023	885,000
Accrued interests on secured bonds			18,633	12,595
Finance-lease borrowings			66,273	52,782
Other bank borrowings			70,001	67,361
Total long-term borrowings			**1,119,930**	**1,017,739**

The debt maturity schedule is as follows:

In thousands of euros	31/12/2022	< 1 year	>1 year < 2 years	>2 years < 3 years	>3 years < 4 years	> 4 years < 5 years	>5 years < 10 years	> 10 years
Secured Bonds	965,023	-	-	-	-	965,023	-	-
Accrued interests on secured bonds	18,633	18,633	-	-	-	-	-	-
Revolving Credit Facility	-	-	-	-	-	-	-	-
Accrued interests on Revolving Credit Facility	-	-	-	-	-	-	-	-
Other bank borrowings	70,001	10,600	6,089	2,808	215	-	50,289	-
Finance lease borrowings	66,273	7,186	14,552	2,071	1,242	1,296	14,488	25,438
Other borrowings	51,822	51,822	-	-	-	-	-	-
Financial current account liabilities	1,350	1,350	-	-	-	-	-	-
Bank overdraft	533	533	-	-	-	-	-	-
I – Total borrowings	**1,173,635**	**90,123**	**20,642**	**4,879**	**1,457**	**966,319**	**64,777**	**25,438**
Financial receivables	461	461	-	-	-	-	-	-
Financial current account assets	1,889	1,889	-	-	-	-	-	-
Marketable securities	1,386	1,386	-	-	-	-	-	-
Cash and cash equivalents	156,149	156,149	-	-	-	-	-	-
II – Financial assets	**159,885**	**159,885**	**-**	**-**	**-**	**-**	**-**	**-**
Net borrowings (I - II)	**1,013,750**	**(69,761)**	**20,642**	**4,879**	**1,457**	**966,319**	**64,777**	**25,438**

PSP Notes amounting are included in the ‘Other bank borrowings’ category in the table above with a maturity > 5years notwithstanding the change of control provision (see Note 2.1)

The Group’s financial liabilities and borrowings are composed of a limited number of items at Promontoria Holding 264 and at subsidiary levels.

The main Group financial debt includes €340 million in 6.375% Senior Secured Notes, $400 million in 7.875% Senior Secured Notes and €250 million in Senior Secured Floating Rate Notes at EURIBOR (floored at zero) plus 6.125%. All Senior Secured Notes are maturing on 1 March 2027 for a total of €950 million (subject to Forex variations). These Notes were issued in February 2022 by Promontoria Holding 264 B.V. to refinance existing WFS Group indebtedness, including €660 million in 2018 Senior Secured Notes and a €225 million bridge facility with Barclays bank contracted in December 2021 for the purchase of the Mercury Air Group.

In February 2022, to replace the prior Revolving Credit Facility ("RCF"), Promontoria Holding 264 B.V. entered into a new RCF for an amount of €160 million maturing in August 2026. The applicable interest rate to this new Facility agreement is equal to IBOR (floored at zero) plus a maximum margin of 3.25% per annum, subject to a ratcheting mechanism based on changes in the Net Senior Secured Ratio.

The PSP Promissory Note is a 10-year unsecured, non-amortizing Promissory Note. The interest rate payable on the Promissory Note will be fixed at 1% for the first five years and increase to the sum of SOFR (Secured Overnight Financing Rate) and 2% thereafter, with additional PIK (i.e., capitalized) interest payable at 3% for the first five years and increasing by 100bps each year thereafter. The Promissory Note does not have any financial covenants, and WFS Inc. has the right, at any time, to voluntarily prepay amounts outstanding under the Promissory Note, in whole or in part, without penalty or premium. The PSP Agreement provides, among other things, that the PSP funds must be used exclusively for the continuation of payment of wages, salaries, and benefits to qualified employees of WFS Inc. The PSP Agreement between WFS Inc. and Treasury is consistent with the standard form of PSP agreement for air carrier contractors that has been made available to the public by Treasury.

Financial Covenants

RCF maintenance requirements call for a Net Senior Secured leverage of no more than 8.25x at each quarter end from 31 March 2022. A breach of the Net Senior Secured Leverage covenant under the Super Senior RCF would result only in a draw stop of the Super Senior RCF but not in the Event of Default. Note that our Senior Secured Notes do not contain maintenance financial covenants.

With Group Net Senior Secured Leverage at 3.97x for the TTM period ended 31 December 2022, the Company was in compliance with its RCF covenant. It should be noted that, because the cash portion of the RCF was fully undrawn on 31 December 2022, the Company was not required to test the covenant but has chosen to do so for information purposes.

6.9 Operating liabilities

In thousands of euros	31/12/2022	31/12/2021
Trade payables and related accounts	**142,359**	**134,774**
Fiscal and social debts	132,720	139,073
Income taxes debts	23,578	18,377
Other liabilities	18,225	25,064
Amounts payable on fixed assets and related accounts	4,770	3,871
Deferred income	3,809	2,763
Other liabilities & deferred income	**183,101**	**189,148**
Total	**325,460**	**323,921**

The variation between 31 December 2021 and 31 December 2022 of trade payables included forex effect of €3.1 million. The fair value of the current liabilities approximates the book value due to their short-term character.

On 31 December 2022, operating liabilities includes €12.5 million were resulting from the deferred payable, taxes and social charges referred to above and from payments deferrals agreed with the Group' landlords, vendors, and suppliers.

Regarding tax and social debt, Forex impact amounted to €3.3 million between 31 December 2021 and 31 December 2022.

The maturity of operating liabilities breaks down as follows:

In thousands of euros	31/12/22	31/12/21
Less than 1 year	323,351	315,382
More than 1 year	2,109	8,539
More than 5 years	-	-
Total	**325,460**	**323,921**

7. Other information

7.1 Off-balance sheet commitments

The commitments disclosed in this Note comprise all off-balance sheet commitments identified by the Group as material or likely to become so.

Off-balance sheet commitments given break down as follows:

In thousands of euros	31/12/22	31/12/21
Total personal guarantees - commitments given	51,284	53,753
Total collateral - commitments given	983,656	672,201
- including nominal bonds	*965,023*	*885,000*
- including bonds interests	*18,633*	*12,595*
Tax and customs-related deposits	16,074	3,659
Operating leases excluding finance leases	554,447	491,711
Other commitments given	13,022	18,150
Total commitments given	**1,618,482**	**1,239,474**

The Notes issued by Promontoria Holding 264 B.V. in February 2022, and the debt drawn by Promontoria Holding 264 B.V. or its subsidiaries under the new SSRCF are guaranteed by some of the Group entities.

Off-balance sheet commitments received break down as follows:

In thousands of euros	31/12/22	31/12/21
Total personal guarantees - commitments received	307	521
Total collateral - commitments received	4	3
Other commitments received	8	8
Total commitments received	**319**	**532**

Operating leases break down as follows:

In thousands of euros	31/12/22	< 1 year	>1 year < 5 years	> 5 years
Real-estate leases	458,168	116,312	218,553	123,303
Vehicle leases	5,668	2,390	3,278	-
Worksite equipment leases	74,273	26,397	47,747	130
Other leases	16,338	6,321	10,015	1
Operating leases excluding finance leases	**554,447**	**151,420**	**279,593**	**123,434**

Operating leases charges break down as follows:

In thousands of euros	P&L expenses As at 31/12/2022
Real-estate leases	(161,406)
Vehicle leases	(4,101)
Worksite equipment leases	(57,550)
Other leases	(3,635)
Operating leases excluding finance leases	**(226,692)**

7.2 Employees

The Group employed 31,157 people on 31 December 2022, breaks down as follows:

	31/12/22	31/12/21
Administration & others	55	63
Communication	5	4
Executive	61	57
Field Operation	29,658	25,980
Finance	235	201
Human ressources	192	167
IT	74	65
Legal	14	13
Operation overheads	752	314
Safety & Security	78	61
Sales & development overheads	33	30
TOTAL HEADCOUNT	**31,157**	**26,956**

As requested by the new regulation 2020-01, the total of employees is an average since the beginning of the year.

The total of 31,157 people is constituted of 29,247 people from fully consolidated companies and 1,910 people from joint ventures.

For the period from January through December 2022, gross salaries represented €802.1 million and social and other personnel expenses amounted to €334.0 million for a total of €1,136.1 million of personnel expenses.

7.3 Transactions with related parties

The Group has not entered into any additional material transactions with related parties other than set out below.

Effective from the date of acquisition, some consulting and services agreement were entered into between some Group entities and certain affiliates of Cerberus Capital limited.

7.4 Subsequent events

Geopolitical instability, and possibility of a recession

The geopolitical and economic environment in which WFS operates contains significant uncertainties, as evidenced by the Russia-Ukraine war, the recent tension between Taiwan and China, and the risk of a recessionary environment following the surge in interest rates to control inflation. WFS carefully monitors these external factors as well as the daily and weekly developments of its markets, with a specific focus on air freight, where the WFS Group remains confident about favorable prospects for the medium and long term. WFS has demonstrated its ability to adapt the cost structure and implement action plans to respond to changes in volumes and environment as and when required, noting that the WFS Group is now able to rely on a stronger liquidity position after the refinancing implemented in Q1 2022, which reduces the risk of a liquidity shortfall.

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