Singapore Airlines Limited
and its subsidiaries
Registration Number: 197200078R

Annual Report
Year ended 31 March 2023

SINGAPORE AIRLINES LIMITED
AND ITS SUBSIDIARY COMPANIES

DIRECTORS' STATEMENT

The Directors are pleased to present this statement together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2023.

In our opinion:

(a) the financial statements set out on pages 17 to 125 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 March 2023, and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; 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 Board of Directors has, on the date of this statement, authorised these financial statements for issue.

1 Directors of the Company

The Directors in office at the date of this statement are as follows:

Peter Seah Lim Huat	Chairman (Independent)
Goh Choon Phong	Chief Executive Officer
Gautam Banerjee	(Non-Independent)
Simon Cheong Sae Peng	(Independent)
David John Gledhill	(Independent)
Goh Swee Chen	(Independent)
Dominic Ho Chiu Fai	(Independent)
Hsieh Tsun-yan	(Non-Independent)
Lee Kim Shin	(Independent)
Jeanette Wong Kai Yuan	(Independent)
Yeoh Oon Jin	(Independent)

2 Arrangements to Enable Directors to Acquire Shares and Debentures

Except as disclosed under "Directors' Interests in Shares, Share Options and Debentures" and "Equity Compensation Plans of the Company" 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 share options in, or debentures of, the Company or any other body corporate.

3 Directors' Interests in Shares, Share Options 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 Singapore Companies Act 1967, interests in the following shares, share options, awards and debentures of the Company, and of related corporations, etc.

	Direct interest		Deemed interest	
Name of Director	1 April 2022	31 March 2023	1 April 2022	31 March 2023
Interest in Singapore Airlines Limited				
Ordinary shares				
Peter Seah Lim Huat	157,200	186,200	-	-

3 Directors' Interests in Shares, Share Options and Debentures (continued)

Name of Director	Direct interest 1 April 2022	Direct interest 31 March 2023	Deemed interest 1 April 2022	Deemed interest 31 March 2023
Interest in Singapore Airlines Limited (continued)				
Ordinary shares (continued)				
Goh Choon Phong	3,408,955	3,806,779	-	-
Gautam Banerjee	44,850	52,550	-	-
Simon Cheong Sae Peng	40,175	46,875	-	-
David John Gledhill	26,400	32,700	-	-
Goh Swee Chen	25,350	31,750	-	-
Dominic Ho Chiu Fai	39,300	46,900	-	-
Hsieh Tsun-yan	39,250	46,050	-	-
Lee Kim Shin	26,000	32,000	-	-
Jeanette Wong Kai Yuan	-	5,400	16,500+	16,500+
Yeoh Oon Jin	-	4,000	-	-
Conditional award of restricted shares (note 1)				
Goh Choon Phong – Base Awards	102,850	93,494	-	-
– Final Awards (Pending Release)	77,792	121,978	-	-
Conditional award of performance shares (note 2)				
Goh Choon Phong – Base Awards	424,110	429,517	-	-
Conditional award of strategic restricted shares (note 3)				
Goh Choon Phong – Final Awards (Pending Release)	123,225	122,125	-	-
Singapore Airlines 2020 Mandatory Convertible Bond due 2030				
Goh Swee Chen	$3,835	-	-	-
Jeanette Wong Kai Yuan	-	-	$19,470+	-
Singapore Airlines 2021 Mandatory Convertible Bond due 2030				
Peter Seah Lim Huat	$150,000	$150,000	-	-
Goh Choon Phong	$500,000	$500,000	-	-
Goh Swee Chen	$38,769	$38,769	-	-
Lee Kim Shin	$41,382	$41,382	-	-
Simon Cheong Sae Peng	$68,917	$68,917	-	-
Jeanette Wong Kai Yuan	-	-	$34,485+	$34,485+
Singapore Airlines $430 million 3.13% Notes due 2026				
Yeoh Oon Jin	$250,000	$250,000	-	-
Interest in CapitaLand Ascendas REIT (formerly known as Ascendas Real Estate Investment Trust)				
Units				
Gautam Banerjee	20,000	20,000	-	-
David John Gledhill	39,000	39,000	-	-
Jeanette Wong Kai Yuan	-	-	150,000+	150,000+
Interest in CapitaLand China Trust (formerly known as CapitaLand Retail China Trust)				
Units				
Peter Seah Lim Huat	106,872	110,181	-	-
Simon Cheong Sae Peng	-	-	245,000#	245,000#
Jeanette Wong Kai Yuan	-	-	225,000+	225,000+
Interest in CapitaLand India Trust (formerly known as Ascendas India Trust)				
Units				
Gautam Banerjee	120,000	120,000	-	-
Interest in CapitaLand Integrated Commercial Trust				
Units				
Peter Seah Lim Huat	250,751	250,751	-	-
Goh Choon Phong	10,237	10,237	-	-
Gautam Banerjee	120,000	120,000	-	-

3 Directors' Interests in Shares, Share Options and Debentures (continued)

	Direct interest		Deemed interest	
Name of Director	1 April 2022	31 March 2023	1 April 2022	31 March 2023
Interest in CapitaLand Integrated Commercial Trust (continued)				
Units (continued)				
Goh Swee Chen	6,451	6,451	773*	-
Jeanette Wong Kai Yuan	-	-	2,320+	-
Interest in CapitaLand Investment Limited				
Ordinary shares				
Peter Seah Lim Huat	392,928	392,928	-	-
Goh Choon Phong	35,000	35,000	-	-
Goh Swee Chen	41,709	41,709	5,000*	-
Jeanette Wong Kai Yuan	-	-	15,000+	15,000+
$400 million 3.33% Fixed Rate Senior Notes due 2027				
Goh Choon Phong	-	$250,000	-	-
Interest in CapitaLand Treasury Limited				
$500 million 3.08% Notes due 2027				
Yeoh Oon Jin	$250,000	$250,000	-	-
Interest in Olam Group Limited (formerly issued under Olam International Limited)^				
$600 million 4.00% Notes due 2026				
Yeoh Oon Jin	$250,000	$250,000^	-	-
Interest in Mapletree Industrial Trust				
Units				
Simon Cheong Sae Peng	-	-	91,252#	93,941#
Interest in Mapletree North Asia Commercial Trust^^				
Units				
Simon Cheong Sae Peng	500,000	-^^	805,494**	-^^
Interest in Mapletree Global Student Accommodation Private Trust				
Units in Class A (USD)				
Goh Choon Phong	4,823	4,823	-	-
Units in Class B (GBP)				
Goh Choon Phong	4,823	4,823	-	-
Interest in SembCorp Marine Limited@				
Ordinary shares				
Peter Seah Lim Huat	6,001,792	-@	-	-
Interest in Singapore Technologies Engineering Limited				
Ordinary shares				
Peter Seah Lim Huat	545,325	545,325	-	-
Goh Choon Phong	6,000	6,000	-	-
Interest in Singapore Telecommunications Limited				
Ordinary shares				
Peter Seah Lim Huat	1,667	1,667	1,550*	1,550*
Goh Choon Phong	1,610	1,610	-	-
Goh Swee Chen	-	-	5,000*	5,000*
Hsieh Tsun-yan	-	-	47,000*	47,000*
Lee Kim Shin	190	190	-	-
Jeanette Wong Kai Yuan	17,821	17,821	-	-

3 Directors' Interests in Shares, Share Options and Debentures (continued)

Name of Director	Direct interest 1 April 2022	Direct interest 31 March 2023	Deemed interest 1 April 2022	Deemed interest 31 March 2023
Interest in StarHub Limited				
Ordinary shares				
Peter Seah Lim Huat	308,992	308,992	300,000*	300,000*
Interest in Telechoice International Limited				
Ordinary shares				
Peter Seah Lim Huat	50,000	50,000	-	-

+ Director's deemed interests arise from joint holdings with spouse.

** Directors' deemed interests arise from holdings held by their respective spouses.*

 # Director's deemed interests arise from holdings held by corporations in which the Director has a controlling interest.

*** Director's deemed interests arise from 500,000 units held by his spouse and 305,494 units held by a corporation in which the Director has a controlling interest.*

^ In February 2022, Olam International Limited received approval from the holders of the outstanding Notes to replace the issuer for the Notes to Olam Group Limited.

^^ Mapletree North Asia Commercial Trust was delisted from the SGX-ST on 3 August 2022.

@ Sembcorp Marine Limited ceased to be a related corporation from 28 February 2023.

Notes:

1. The actual number of Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over the one-year performance periods relating to the relevant awards.

2. The actual number of Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the three-year performance periods relating to the relevant awards.

3. The Awards of fully paid ordinary shares will vest over two years with 50% vesting immediately upon the date of the grant of the award, and the balance at 25% over the next two years. On the final vesting date, an additional equity kicker equivalent to 20% of the Final Award will be settled with the participants.

Except as disclosed in this statement, no other Director who held office at the end of the financial year had interests in shares, share options, awards or debentures of the Company, or of related corporations etc., either at the beginning of the financial year, or at the end of the financial year.

There were no changes in the above-mentioned interests between the end of the financial year and 21 April 2023.

4 Equity Compensation Plans of the Company

The Company has in place the SIA Restricted Share Plan ("RSP") and the SIA Performance Share Plan ("PSP").

At the date of this statement, the Board Compensation & Industrial Relations Committee ("BCIRC") which administers the RSP and PSP comprises the following Directors:

Peter Seah Lim Huat	Chairman (Independent)
Simon Cheong Sae Peng	(Independent)
Hsieh Tsun-yan	(Non-Independent)
Jeanette Wong Kai Yuan	(Independent)

4 Equity Compensation Plans of the Company (continued)

RSP and PSP

Details of the RSP and PSP are disclosed in note 5 to the financial statements.

At the Extraordinary General Meeting held on 30 July 2014, shareholders approved the adoption of the RSP and PSP. The duration of the RSP and PSP is 10 years each, commencing 30 July 2014. At the Annual General Meeting held on 27 July 2018, shareholders approved alterations to the RSP to enable non-executive Directors of the Company and/or its subsidiaries to participate in the RSP (in addition to employees, including executive Directors of the Company and/or its subsidiaries).

Under the RSP, a base number of conditional share awards ("Base Award") was/is granted to eligible participants annually. Depending on the achievement of pre-determined targets over a one-year performance period for awards granted from 2016 onwards, the BCIRC will determine an achievement factor which will then be applied to the Base Award to determine the final number of RSP shares to be awarded at the end of the respective performance periods ("Final Award"). All RSP awards reported for the financial period under review were granted from 2016 onwards.

Under the PSP, a base number of conditional share awards ("Base Award") was/is granted to eligible participants annually. Depending on the achievement of pre-determined targets over a three-year performance period, the BCIRC will determine an achievement factor which will then be applied to the Base Award to determine the final number of PSP shares to be awarded at the end of the respective performance periods ("Final Award").

The achievement factor could range from 0% to 200% for both the RSP and PSP.

One-third of the RSP Final Awards of fully paid ordinary shares will be released to the participants upon vesting. The balance will be released equally over the subsequent two years with fulfilment of service requirements.

For the strategic awards of restricted shares granted under the RSP, half of the Final Awards of fully paid ordinary shares was released to the participants on the date of grant. The balance will be released equally over the subsequent two years with fulfilment of service requirements. On the final vesting date, an additional equity kicker equivalent to 20% of the Final Award will be settled with the participant.

All the PSP Final Awards of fully paid ordinary shares will be released to the participants at the end of the three-year performance period. For the financial year under review, all RSP and PSP Final Awards released were satisfied by way of the transfer of treasury shares to the participants.

No awards have been granted to controlling shareholders or their associates, or parent group directors or employees, under the RSP and PSP.

No participant has received 5% or more of the total number of awards granted under the RSP and PSP.

Details of the shares awarded under the RSP and PSP to Directors of the Company are as follows:

4 Equity Compensation Plans of the Company (continued)

1. RSP Share Awards Granted to Non-Executive Directors

During the financial year, an aggregate of 85,900 shares were delivered pursuant to awards granted under the RSP to certain Non-Executive Directors as part of their Directors' Fees for the period 1 April 2021 to 31 March 2022 in lieu of cash. The share awards consisted of the grant of fully paid shares outright with no performance or vesting conditions attached, but with a selling moratorium of one year. Details are set out below.

Names of Non-Executive Directors	Share awards granted and vested during the financial year	Balance as at 31 March 2023	Aggregate share awards granted since commencement of the RSP to end of the financial year under review
Peter Seah Lim Huat	29,000	-	149,000
Gautam Banerjee	7,700	-	41,900
Simon Cheong Sae Peng	6,700	-	34,700
David John Gledhill	6,300	-	32,700
Goh Swee Chen	6,400	-	29,800
Dominic Ho Chiu Fai	7,600	-	46,900
Hsieh Tsun-yan	6,800	-	36,900
Lee Kim Shin	6,000	-	32,000
Jeanette Wong Kai Yuan	5,400	-	5,400
Yeoh Oon Jin	4,000	-	4,000

2. RSP Base Awards

Name of participant	Balance as at 1 April 2022	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2023	Aggregate Base Awards granted since commencement of the RSP to end of financial year under review
Goh Choon Phong	102,850	93,494	102,850	93,494	630,972

3. RSP Final Awards (Pending Release) [R1]

Name of participant	Balance as at 1 April 2022	Final Awards granted during the financial year[#]	Final Awards released during the financial year	Balance as at 31 March 2023	Aggregate ordinary shares released to participant since commencement of the RSP to end of financial year under review
Goh Choon Phong	77,792	134,740	90,554	121,978	413,680

4. PSP Base Awards [R2]

Name of participant	Balance as at 1 April 2022	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2023	Aggregate Base Awards granted since commencement of the PSP to end of financial year under review	Aggregate ordinary shares released to participant since commencement of the PSP to end of financial year under review
Goh Choon Phong	424,110	140,241	134,834	429,517	928,409	200,810

4 Equity Compensation Plans of the Company (continued)

5. Strategic RSP ("SSA")

Details of the strategic RSP awards of restricted shares are disclosed in note 5 to the financial statements. The grant of strategic RSP awards were made under the authority of the BCIRC.

Details of the shares awarded under the strategic RSP to a Director of the Company are as follows:

(a) SSA Base Awards

Name of participant	Balance as at 1 April 2022	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2023	Aggregate Base Awards granted since commencement of the SSA to end of financial year under review
Goh Choon Phong	-	167,700	167,700	-	507,500

(b) SSA Final Awards (Pending Release) [R3]

Name of participant	Balance as at 1 April 2022	Final Awards granted during the financial year[#]	Adjustment[*]	Final Awards released during the financial year	Balance as at 31 March 2023	Aggregate ordinary shares released to participant since commencement of the SSA to end of financial year under review
Goh Choon Phong	123,225	167,700	37,340	206,140	122,125	422,715

[R1] *The actual number of RSP Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over the one-year performance periods relating to the relevant awards.*

[R2] *The actual number of PSP Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the three-year performance periods relating to the relevant awards.*

[R3] *The actual number of SSA Final Awards of fully paid ordinary shares is contingent on the BCIRC's assessment of Covid-19 response.*

[#] *Final Awards granted during the financial year is determined by applying the achievement factor to the Base Awards that have vested during the financial year.*

[*] *Adjustment at the end of the performance period relating to an additional equity kicker during the financial year.*

5 Equity Compensation Plans of Subsidiary

The particulars of the equity compensation plans of a subsidiary of the Company are as follows:

SIA Engineering Company Limited ("SIAEC")

At the Extraordinary General Meeting of SIAEC held on 21 July 2014, shareholders of SIAEC approved the adoption of the SIAEC Restricted Share Plan 2014 ("SIAEC RSP 2014") and the SIAEC Performance Share Plan 2014 ("SIAEC PSP 2014").

Details and terms of the SIAEC RSP 2014 and SIAEC PSP 2014 have been disclosed in the Directors' Statement of SIAEC.

6 Audit Committee

At the date of this statement, the Audit Committee comprises the following four independent Directors and two non-independent Directors:

Yeoh Oon Jin	Independent (Chairman)
Gautam Banerjee	Non-Independent
Dominic Ho Chiu Fai	Independent
Hsieh Tsun-yan	Non-Independent
Goh Swee Chen	Independent
Jeanette Wong Kai Yuan	Independent

The Audit Committee performed its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the SGX-ST Listing Manual and the Code of Corporate Governance, which include *inter alia* the review of the following:

(i) financial statements and announcements relating to financial performance of the Group and the Company, and significant financial reporting issues and judgements contained in them, prior to their submissions to the Board of Directors for adoption;
(ii) the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance, information technology controls) and risk management systems, and the Board's comments thereon, prior to determining whether it concurs with such comments; and consideration and recommendation of the necessary steps to take if material weaknesses are identified in the Group's internal controls;
(iii) the assurance from the Chief Executive Officer and Executive Vice President Finance & Strategy on the financial records and financial statements;
(iv) audit scopes, plans and reports (including Key Audit Matters) of the external and internal auditors;
(v) adequacy and effectiveness of the internal audit function, and the effectiveness, independence and objectivity of the external auditors;
(vi) interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual);
(vii) whistle-blowing programme instituted by the Company; and
(viii) any material loss of funds, significant computer security incidents and legal cases.

The Audit Committee has held four meetings since the last Directors' Statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system. The Audit Committee also reviewed management's internal control adequacy representations that is based on the Control Self-Assessment System. In the review of the audited financial statements of the Group and the Company, the Audit Committee had discussed with management and the external auditors the accounting principles that were applied and their judgement on the items that might affect the financial statements. Based on the review and discussions with management and the external auditors, the Audit Committee is of the view that the financial statements are fairly presented in conformity with generally accepted accounting principles in all material aspects.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the appointment of its auditors.

7 Auditors

The external auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board,

PETER SEAH LIM HUAT
Chairman

GOH CHOON PHONG
Chief Executive Officer

Dated this 16th day of May 2023

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INDEPENDENT AUDITORS' REPORT

To the members of Singapore Airlines Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Airlines Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2023, the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and the 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 17 to 125.

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 Singapore Companies Act 1967 ("the Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") 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 the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the 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 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.

Accounting for the carrying values of aircraft and related assets

Refer to note 2(h) "Property, plant and equipment" and note 3(a) "Impairment of property, plant and equipment – aircraft fleet" for the relevant accounting policy and a discussion of significant accounting estimates.

The key audit matter

The carrying value of aircraft and related assets of the Low-Cost Carrier ("LCC") CGU amounted to $1.7 billion as at 31 March 2023 and the accounting has a material impact on the Group due to the significant value and long-lived nature of these assets.

As a result of the slow recovery in traffic in Scoot's certain key markets, there remains a higher degree of estimation uncertainty inherent in estimating the recovery rate of the LCC CGU. The increasing interest rate environment is also expected to have an impact on the LCC's discount rate. As a result, Management concluded that there was an indication of impairment on the LCC CGU.

The recoverable amount of the LCC CGU was estimated based on their value-in-use calculations.

There is inherent uncertainty involved in forecasting and discounting future cashflows. The significant estimates and assumptions include future revenue (yield and load factor), terminal growth rate, and discount rate for the LCC CGU.

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 assessed the appropriateness of Management's allocation of aircraft and related assets to the LCC CGU.

We discussed impairment indicators with Management. Also, we held discussions with senior management to understand the significant assumptions used in forming the estimates underpinning the assessment of the recoverable amount of the LCC CGU. These significant assumptions include yield, load factor, terminal growth rate and discount rate.

We challenged these estimates based on our knowledge of the business, the aviation industry and our observation of post pandemic industry trend. We corroborated our knowledge and understanding by reading publicly available aviation industry reports.

We assessed if the methodology adopted by Management is reasonable and in accordance with relevant accounting policies.

We involved our internal valuation specialists to assess the discount rate adopted by management.

We performed sensitivity analyses for the LCC CGU over significant inputs, being yield, load factor, terminal growth rate and discount rate used in estimating value-in-use of the LCC CGU.

We checked the arithmetical accuracy of the computations used in assessing the recoverable amount of the LCC CGU.

Accounting for the carrying values of aircraft and related assets (continued)

Refer to note 2(h) "Property, plant and equipment" and note 3(a) "Impairment of property, plant and equipment – aircraft fleet" for the relevant accounting policy and a discussion of significant accounting estimates. (continued)

Findings

The allocation of aircraft and related assets to the CGU is consistent with how Management intends to utilise these assets. Key inputs including yield, load factor, terminal growth rate and discount rate used in assessing the recoverable amount of the LCC CGU are subject to significant amounts of volatility and uncertainty. Nevertheless, we found these key inputs underpinning the cashflow projections involved in the computation of the recoverable amount of the LCC CGU, to be reasonable in the context of historical performance and available industry information.

Accuracy of passenger and cargo revenues

Refer to note 2(t) 'Revenue' and note 3(c) 'Passenger revenue recognition' for the relevant accounting policy and a discussion of significant accounting estimates.

The key audit matter	**How the matter was addressed in our audit**
Passenger and cargo sales are not recognised as revenue immediately but are deferred to be recorded at a later time as revenue in the profit and loss account when the related transportation service is provided. Such deferred revenue is presented on the consolidated statement of financial position as sales in advance of carriage and is measured based on the sales price to the customer, net of discounts and rebates. The Group has been able to significantly increase passenger revenue through the increase in passenger numbers and capacity with the reopening of international borders in the current financial year. Cargo performance continued to be strong as compared to pre-pandemic levels. Passenger and cargo revenue are made up of a high volume of individually low value transactions. The amount of revenue to be recognised for each flight as it is flown relies on complex internal IT systems that handle large volumes of transaction data and includes the exchange of information with industry systems and partner airlines. As a result of these complexities, this is a key focus area in our audit.	We tested the relevant IT system controls, including the user access, program change controls and application controls over internal passenger and cargo revenue systems. Our tests of these controls were designed to determine whether these relevant IT systems controls operated as they were designed, and whether they were protected from tampering of data or software logic that would result in inaccurate accounting information relating to passenger and cargo revenue. In addition, relevant IT system controls were tested relating to the completeness of transfers of data between systems, validation checks to identify data errors and the proration of prices to each flight. For passenger revenue, relevant manual controls were also tested to assess the appropriateness of the treatment applied to exceptions and reconciliations of the Group's records with the outputs from shared industry systems and partner airlines. We obtained direct assistance from the Group's internal auditors to test the effectiveness of relevant controls in the passenger revenue accounting process at various overseas stations. Procedures we performed included planning the work to be performed by the Group's internal auditors, identifying the controls to be tested, and reviewing the work of the Group's internal auditors. We checked samples of passenger and cargo revenue transactions to underlying records including evidence of payment and flight records to assess the accuracy and existence of the revenue recognised. We performed analytical procedures on sales in advance of carriage by developing an expectation using the yearly operating statistics and comparing such expectations with recorded sales in advance of carriage.

Findings

Our testing performed on relevant IT and manual controls over the passenger and cargo revenue systems, the checking of selected revenue transactions to their underlying records, as well as our analytical procedures performed over sales in advance of carriage, did not identify any significant exceptions.

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 the Mission Statement, Statistical Highlights, Financial Highlights, Financial Review, Interested Person Transactions, Quarterly results of the Group, Five-Year Financial Summary, Ten-Year Statistical Record, Group Fleet Profile, Group Corporate Structure, Share Price and Turnover (the "Reports") prior to the date of this auditors' report. The remaining other information contained in the annual report 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 and will 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 auditors' 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 Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee 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, SFRS(I)s and IFRSs, 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 (continued)

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 Audit Committee 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 Audit Committee 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 (continued)

From the matters communicated with the Audit Committee, 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 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 Ang Fung Fung.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Dated this 16th day of May 2023
Singapore

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For The Financial Year Ended 31 March 2023 (in $ million)

		The Group	
	Notes	FY2022/23	FY2021/22
REVENUE	4	17,774.8	7,614.8
EXPENDITURE			
Staff costs	5	3,055.8	1,473.6
Fuel costs		5,209.4	2,189.3
Fuel hedging ineffectiveness	41(a)	(0.5)	(78.2)
Depreciation	21, 22	2,004.9	1,927.6
Amortisation of intangible assets	23	75.6	72.0
Aircraft maintenance and overhaul costs		527.2	453.4
Commission and incentives		488.3	117.8
Landing, parking and overflying charges		657.2	451.9
Handling charges		951.5	646.8
Rentals on leased aircraft		23.7	16.9
Inflight meals		423.9	89.5
Advertising and sales costs		326.1	120.9
Company accommodation and utilities		43.2	35.4
Other passenger costs		151.4	56.6
Crew expenses		100.2	56.1
Other operating expenses		1,044.8	594.9
		15,082.7	8,224.5
OPERATING PROFIT/(LOSS)	6	2,692.1	(609.7)
Finance charges	7	(419.9)	(391.6)
Interest income	8	412.6	45.9
Write-back of impairment/(Impairment) of aircraft	21, 22	57.2	(50.5)
Write-back of impairment/(Impairment) of base maintenance assets	21	1.7	(8.4)
Impairment of goodwill	23	(14.0)	-
(Loss)/Surplus on disposal of aircraft, spares and spare engines		(7.3)	85.9
Dividends from long-term investments		4.0	4.0
Other non-operating items	9	(58.4)	(49.5)
Share of profits of joint venture companies		31.8	29.8
Share of losses of associated companies		(63.0)	(145.9)
PROFIT/(LOSS) BEFORE TAXATION		2,636.8	(1,090.0)
TAXATION	10	(473.5)	141.9
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		2,163.3	(948.1)
PROFIT/(LOSS) ATTRIBUTABLE TO:			
OWNERS OF THE COMPANY		2,156.8	(962.0)
NON-CONTROLLING INTERESTS		6.5	13.9
		2,163.3	(948.1)
EARNINGS/(LOSS) PER SHARE (CENTS)	11	35.6	(16.2)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)	11	35.1	(16.2)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Financial Year Ended 31 March 2023 (in $ million)

	The Group	
	FY2022/23	FY2021/22
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	2,163.3	(948.1)
OTHER COMPREHENSIVE INCOME:		
Items that are or may be reclassified subsequently to profit or loss:		
Currency translation differences	(15.7)	1.7
Net fair value changes on cash flow hedges	(573.1)	1,253.3
Share of other comprehensive income of associated and joint venture companies	7.7	3.1
Items that will not be reclassified subsequently to profit or loss:		
Actuarial gain on revaluation of defined benefit plans	5.2	0.2
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR, NET OF TAX	(575.9)	1,258.3
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	1,587.4	310.2
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
OWNERS OF THE COMPANY	1,583.9	294.9
NON-CONTROLLING INTERESTS	3.5	15.3
	1,587.4	310.2

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
As At 31 March 2023 (in $ million)

	Notes	The Group 31 March 2023	The Group 31 March 2022	The Company 31 March 2023	The Company 31 March 2022
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	13	7,180.2	7,180.2	7,180.2	7,180.2
Mandatory convertible bonds	14	6,195.1	9,691.2	6,195.1	9,691.2
Treasury shares	15	(73.8)	(106.5)	(73.8)	(106.5)
Other reserves	16	6,556.8	5,647.0	7,808.2	6,730.3
		19,858.3	22,411.9	21,109.7	23,495.2
NON-CONTROLLING INTERESTS		391.5	388.5	-	-
TOTAL EQUITY		20,249.8	22,800.4	21,109.7	23,495.2
DEFERRED ACCOUNT		55.8	95.4	55.8	95.4
DEFERRED TAXATION	17	1,430.2	1,064.3	1,475.0	1,082.8
LONG-TERM LEASE LIABILITIES		3,560.6	3,114.8	2,363.7	2,387.4
BORROWINGS	18	8,613.7	11,405.5	8,408.0	11,155.5
OTHER LONG-TERM LIABILITIES	19	381.9	1,077.7	381.9	1,077.7
PROVISIONS	20	1,047.1	1,144.4	524.7	503.1
DEFINED BENEFIT PLANS		91.2	99.9	91.2	99.9
		35,430.3	40,802.4	34,410.0	39,897.0
Represented by:					
PROPERTY, PLANT AND EQUIPMENT	21	23,832.5	24,570.6	21,034.4	20,642.7
RIGHT-OF-USE ASSETS	22	3,854.5	3,290.1	2,413.5	2,458.5
INTANGIBLE ASSETS	23	297.5	303.2	235.4	231.0
SUBSIDIARY COMPANIES	24	-	-	5,582.0	5,539.6
ASSOCIATED COMPANIES	25	757.3	805.8	540.0	485.2
JOINT VENTURE COMPANIES	26	265.0	233.4	32.3	32.3
LONG-TERM INVESTMENTS	27	39.4	42.6	36.7	39.9
OTHER LONG-TERM ASSETS	28	755.7	1,737.2	674.2	1,615.8
CURRENT ASSETS					
Derivative assets	41	662.7	1,402.0	659.8	1,402.0
Inventories	29	227.0	187.4	171.9	142.0
Trade debtors	30	1,192.7	1,566.4	1,028.4	1,407.2
Amounts owing by subsidiary companies	30	-	-	0.1	0.2
Deposits and other debtors	31	284.0	202.5	226.5	164.0
Prepayments		105.0	93.2	68.3	72.9
Other short-term assets		70.5	30.4	68.3	21.6
Investments	32	403.9	406.4	351.7	352.5
Cash and bank balances	33	16,327.6	13,762.7	15,975.7	13,557.9
Assets held for sale	21	25.9	37.1	0.1	4.4
		19,299.3	17,688.1	18,550.8	17,124.7
Less: **CURRENT LIABILITIES**					
Borrowings	18	2,547.7	606.8	2,482.4	539.2
Lease liabilities		617.3	567.7	363.3	350.1
Current tax payable		128.1	153.3	38.9	38.8
Trade and other creditors	34	4,039.8	2,733.3	3,020.9	2,068.9
Amounts owing to subsidiary companies	34	-	-	3,009.3	1,629.8
Sales in advance of carriage	35	4,631.4	2,107.8	4,275.6	1,997.0
Deferred revenue	35	866.3	925.7	866.3	925.7
Deferred account		51.0	15.9	48.1	15.1
Derivative liabilities	41	399.0	574.7	399.0	571.1
Provisions	20	390.3	183.4	185.5	137.0
		13,670.9	7,868.6	14,689.3	8,272.7
NET CURRENT ASSETS		5,628.4	9,819.5	3,861.5	8,852.0
		35,430.3	40,802.4	34,410.0	39,897.0

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 (in $ million)

The Group

		Attributable to owners of the Company										
	Notes	Share capital	Mandatory convertible bonds	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non-controlling interests	Total equity
Balance at 1 April 2022		7,180.2	9,691.2	(106.5)	(107.3)	(16.2)	20.7	1,076.2	4,673.6	22,411.9	388.5	22,800.4
Comprehensive income												
Currency translation differences	16(b)	-	-	-	-	(11.7)	-	-	-	(11.7)	(4.0)	(15.7)
Net fair value changes on cash flow hedges	16(d)	-	-	-	-	-	-	(573.1)	-	(573.1)	-	(573.1)
Actuarial gain on revaluation of defined benefit plans		-	-	-	-	-	-	-	5.2	5.2	-	5.2
Share of other comprehensive income of associated and joint venture companies		-	-	-	7.4	(4.5)	-	3.8	-	6.7	1.0	7.7
Other comprehensive income for the financial year, net of tax		-	-	-	7.4	(16.2)	-	(569.3)	5.2	(572.9)	(3.0)	(575.9)
Profit for the financial year		-	-	-	-	-	-	-	2,156.8	2,156.8	6.5	2,163.3
Total comprehensive income for the financial year		-	-	-	7.4	(16.2)	-	(569.3)	2,162.0	1,583.9	3.5	1,587.4
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Redemption of mandatory convertible bonds		-	(3,496.1)	-	-	-	-	-	(363.9)	(3,860.0)	-	(3,860.0)
Changes in ownership interest without loss of control		-	-	-	-	-	(3.8)	-	(0.6)	(4.4)	(0.1)	(4.5)
Share-based compensation expense	5	-	-	-	-	-	23.5	-	-	23.5	-	23.5
Treasury shares reissued pursuant to equity compensation plans	15	-	-	32.7	(16.1)	-	(16.1)	-	-	0.5	-	0.5
Acquisition of a subsidiary company with non-controlling interests		-	-	-	-	-	-	-	-	-	1.2	1.2
Dividends	12	-	-	-	-	-	-	-	(297.1)	(297.1)	(1.6)	(298.7)
Total transactions with owners		-	(3,496.1)	32.7	(16.1)	-	3.6	-	(661.6)	(4,137.5)	(0.5)	(4,138.0)
Balance at 31 March 2023		7,180.2	6,195.1	(73.8)	(116.0)	(32.4)	24.3	506.9	6,174.0	19,858.3	391.5	20,249.8

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 (in $ million)

The Group

		Attributable to owners of the Company										
	Notes	Share capital	Mandatory convertible bonds	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non-controlling interests	Total equity
Balance at 1 April 2021		7,180.2	3,496.1	(133.2)	(96.8)	(16.9)	20.8	(178.6)	5,634.3	15,905.9	372.2	16,278.1
Comprehensive income												
Currency translation differences	16(b)	-	-	-	-	0.7	-	-	-	0.7	1.0	1.7
Net fair value changes on cash flow hedges	16(d)	-	-	-	-	-	-	1,253.3	-	1,253.3	-	1,253.3
Actuarial gain on revaluation of defined benefit plans		-	-	-	-	-	-	-	0.2	0.2	-	0.2
Share of other comprehensive income of associated and joint venture companies		-	-	-	1.2	-	-	1.5	-	2.7	0.4	3.1
Other comprehensive income for the financial year, net of tax		-	-	-	1.2	0.7	-	1,254.8	0.2	1,256.9	1.4	1,258.3
(Loss)/Profit for the financial year		-	-	-	-	-	-	-	(962.0)	(962.0)	13.9	(948.1)
Total comprehensive income for the financial year		-	-	-	1.2	0.7	-	1,254.8	(961.8)	294.9	15.3	310.2
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Issue of mandatory convertible bonds		-	6,195.1	-	-	-	-	-	-	6,195.1	-	6,195.1
Changes in ownership interest without loss of control		-	-	-	-	-	(2.5)	-	1.1	(1.4)	2.4	1.0
Share-based compensation expense	5	-	-	-	-	-	17.0	-	-	17.0	-	17.0
Treasury shares reissued pursuant to equity compensation plans	15	-	-	26.7	(11.7)	-	(14.6)	-	-	0.4	-	0.4
Dividends	12	-	-	-	-	-	-	-	-	-	(1.4)	(1.4)
Total transactions with owners		-	6,195.1	26.7	(11.7)	-	(0.1)	-	1.1	6,211.1	1.0	6,212.1
Balance at 31 March 2022		7,180.2	9,691.2	(106.5)	(107.3)	(16.2)	20.7	1,076.2	4,673.6	22,411.9	388.5	22,800.4

STATEMENTS OF CHANGES IN EQUITY
For The Financial Year Ended 31 March 2023 (in $ million)

The Company

	Notes	Share capital	Mandatory convertible bonds	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2022		7,180.2	9,691.2	(106.5)	(881.6)	16.7	939.5	6,655.7	23,495.2
Comprehensive income									
Net fair value changes on cash flow hedges	16(d)	-	-	-	-	-	(471.6)	-	(471.6)
Actuarial gain on revaluation of defined benefit plans		-	-	-	-	-	-	4.6	4.6
Other comprehensive income for the financial year, net of tax		-	-	-	-	-	(471.6)	4.6	(467.0)
Profit for the financial year		-	-	-	-	-	-	2,218.9	2,218.9
Total comprehensive income for the financial year		-	-	-	-	-	(471.6)	2,223.5	1,751.9
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Redemption of mandatory convertible bonds		-	(3,496.1)	-	-	-	-	(363.9)	(3,860.0)
Share-based compensation expense		-	-	-	-	19.2	-	-	19.2
Treasury shares reissued pursuant to equity compensation plans	15	-	-	32.7	(16.1)	(16.1)	-	-	0.5
Dividends	12	-	-	-	-	-	-	(297.1)	(297.1)
Total transactions with owners		-	(3,496.1)	32.7	(16.1)	3.1	-	(661.0)	(4,137.4)
Balance at 31 March 2023		7,180.2	6,195.1	(73.8)	(897.7)	19.8	467.9	8,218.2	21,109.7

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
For The Financial Year Ended 31 March 2023 (in $ million)

The Company

	Notes	Share capital	Mandatory convertible bonds	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2021		7,180.2	3,496.1	(133.2)	(871.4)	17.1	(136.6)	6,959.7	16,511.9
Comprehensive income									
Net fair value changes on cash flow hedges	16(d)	-	-	-	-	-	1,076.1	-	1,076.1
Actuarial gain on revaluation of defined benefit plans		-	-	-	-	-	-	0.2	0.2
Effects of integration of SilkAir (Singapore) Private Limited ("SilkAir")		-	-	-	1.5	-	-	-	1.5
Other comprehensive income for the financial year, net of tax		-	-	-	1.5	-	1,076.1	0.2	1,077.8
Loss for the financial year		-	-	-	-	-	-	(304.2)	(304.2)
Total comprehensive income for the financial year		-	-	-	1.5	-	1,076.1	(304.0)	773.6
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Issue of mandatory convertible bonds		-	6,195.1	-	-	-	-	-	6,195.1
Share-based compensation expense		-	-	-	-	14.2	-	-	14.2
Treasury shares reissued pursuant to equity compensation plans	15	-	-	26.7	(11.7)	(14.6)	-	-	0.4
Total transactions with owners		-	6,195.1	26.7	(11.7)	(0.4)	-	-	6,209.7
Balance at 31 March 2022		7,180.2	9,691.2	(106.5)	(881.6)	16.7	939.5	6,655.7	23,495.2

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 2023 (in $ million)

		The Group	
	Notes	FY2022/23	FY2021/22
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		2,636.8	(1,090.0)
Adjustments for:			
Depreciation	21, 22	2,004.9	1,927.6
(Write-back of impairment)/Impairment of aircraft	21	(57.2)	50.5
(Write-back of impairment)/Impairment of base maintenance assets	21	(1.7)	8.4
Impairment of goodwill	23	14.0	-
Amortisation of intangible assets	23	75.6	72.0
(Write-back of impairment)/Impairment of trade debtors	6	(6.1)	4.4
Writedown of inventories	6	9.3	7.0
Income from short-term investments	6	(1.0)	(1.2)
Provisions	20	167.7	213.5
Share-based compensation expense	5	23.5	17.0
Exchange differences		134.5	(22.9)
Gain on lease remeasurement		(2.5)	(2.2)
Net loss on financial assets mandatorily measured at fair value through profit or loss ("FVTPL")	6	1.2	3.8
Fuel hedging ineffectiveness		(0.5)	(78.2)
Finance charges	7	419.9	391.6
Interest income	8	(412.6)	(45.9)
Loss/(Surplus) on disposal of aircraft, spares and spare engines		7.3	(85.9)
Dividends from long-term investments		(4.0)	(4.0)
Other non-operating items	9	58.4	49.5
Share of profits of joint venture companies		(31.8)	(29.8)
Share of losses of associated companies		63.0	145.9
Operating cash flow before working capital changes		5,098.7	1,531.1
Increase in trade and other creditors		1,191.4	485.3
Increase in sales in advance of carriage		2,523.6	1,539.7
Decrease/(Increase) in trade debtors		422.1	(385.3)
Decrease/(Increase) in deposits and other debtors		16.8	(76.9)
Increase in prepayments		(11.8)	(12.5)
(Increase)/Decrease in inventories		(46.1)	0.5
Decrease in deferred revenue		(59.4)	(32.1)
Cash generated from operations		9,135.3	3,049.8
Income taxes paid		(5.2)	(8.3)
NET CASH PROVIDED BY OPERATING ACTIVITIES		9,130.1	3,041.5

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 2023 (in $ million)

	Notes	The Group	
		FY2022/23	FY2021/22
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure	36	(1,601.8)	(3,048.7)
Purchase of intangible assets		(82.2)	(74.4)
(Payments for)/Proceeds from disposal of aircraft and other property, plant and equipment		(3.8)	22.9
Proceeds from disposal of assets held for sale		17.5	277.0
Proceeds from sale and leaseback transactions		1,210.3	760.8
Proceeds from disposal of long-term investments		21.6	21.0
Purchase of short-term investments		(134.5)	(200.6)
Proceeds from disposal of short-term investments		132.6	66.1
Dividends received from associated and joint venture companies		36.7	31.9
Dividends received from investments		4.0	4.0
Interest received from investments and deposits		315.4	33.5
Proceeds from finance leases		9.2	9.0
Investments in an associated company		(54.8)	(152.9)
Acquisition of a subsidiary company, net of cash acquired		(4.2)	-
Proceeds from disposal of an associated company		-	3.8
NET CASH USED IN INVESTING ACTIVITIES		(134.0)	(2,246.6)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	12	(297.1)	-
Dividends paid by subsidiary companies to non-controlling interests	12	(1.6)	(1.4)
Interest paid		(332.6)	(277.0)
Redemption of mandatory convertible bonds		(3,860.0)	-
Proceeds from borrowings		6.2	8.0
Repayment of borrowings		(988.0)	(697.8)
Repayment of lease liabilities		(740.3)	(677.4)
Proceeds from issuance of mandatory convertible bonds		-	6,196.8
Payment of transaction costs related to issuance of mandatory convertible bonds		-	(1.7)
Repayment of bonds		-	(200.0)
Proceeds from issuance of bonds		-	813.1
Payment of transaction costs from issuance of bonds		-	(1.8)
Payment of transaction costs related to borrowings		-	(1.1)
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		(6,213.4)	5,159.7
NET CASH INFLOW		2,782.7	5,954.6
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		13,762.7	7,783.0
Effect of exchange rate changes		(217.8)	25.1
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		16,327.6	13,762.7
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Fixed deposits	33	12,400.0	11,259.3
Cash and bank balances	33	3,927.6	2,503.4
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		16,327.6	13,762.7

Significant non-cash transactions

During the financial period, the Group made pre-delivery payments for certain aircraft amounting to $204.3 million (31 March 2022: $652.2 million) through financing from a third-party financier.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2023

1 General

Singapore Airlines Limited ("the Company") is a limited liability company incorporated and domiciled in the Republic of Singapore. The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and is a subsidiary company of Temasek Holdings (Private) Limited ("Temasek"), incorporated in the Republic of Singapore.

The registered office of the Company is at Airline House, 25 Airline Road, Singapore 819829.

The financial statements of the Group as at and for the year ended 31 March 2023 comprise the Company and its subsidiary companies (together referred to as "the Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The principal activities of the Group consist of passenger and cargo air transportation, engineering services, training of pilots, air charters, tour activities, sale of merchandise and related activities. The principal activity of the Company consists of passenger and cargo air transportation.

The 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 16 May 2023.

2 Summary of Significant Accounting Policies

The accounting policies applied by the Group and the Company are consistent with all periods presented in these financial statements, except as explained in note 2(b), which addresses changes in accounting policies.

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD"), which is the Company's functional currency and all values in the tables are rounded to the nearest million, unless otherwise stated.

2 Summary of Significant Accounting Policies (continued)

(b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2022, the Group adopted all the new and revised standards and interpretations of IFRS ("INT IFRS") that are effective for annual financial periods beginning on or after 1 April 2022. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

(c) Standards issued but not yet effective

Certain new standards and amendments to standards that are effective from the Group's financial year ending 31 March 2024 onwards, but are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position are as follows:

Description	Effective from
IFRS 17 Insurance Contracts	1 April 2023
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 April 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 April 2023
Definition of Accounting Estimates (Amendments to IAS 8)	1 April 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 April 2023

The assessment on the IFRS 17 impact is still ongoing because the transition work has not been finalised.

(d) Basis of consolidation

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

Any excess of the total 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 net assets is recorded as goodwill. The accounting policy for goodwill is set out in note 2(f)(iv).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit and loss account.

Any contingent consideration will be recognised at fair value at the acquisition date and included in the consideration amount. If the contingent consideration is classified as equity, it is not remeasured and settled within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the profit and loss account.

The Group elects for each separate business combination, whether the non-controlling interest in the acquiree (if any) 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.

2 Summary of Significant Accounting Policies (continued)

(d) Basis of consolidation (continued)

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions and therefore no adjustments are made to goodwill and no gain or loss is recognised in the profit and loss account. In such circumstances, adjustments are based on a proportionate amount of the net assets of the subsidiary companies.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in the consolidated financial statements. Unrealised gains arising from transactions with associated and joint venture companies are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

<u>Common control transactions</u>

Common control transactions arising from transfer of interest in entities that are under the control of the shareholder that controls the Company are accounted for using book value accounting. The transaction is recognised at the carrying amount of the investee.

(e) Subsidiary, associated and joint venture companies

In the Company's separate financial statements, investments in subsidiary, associated and joint venture companies are accounted for at cost less accumulated impairment losses.

A subsidiary company is an investee that is controlled by the Group. The Group controls an investee when it is exposed, 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. The financial statements of subsidiary companies are included in the consolidated financial statements from the date the control commences until the date the control ceases.

The accounting policies of subsidiary companies have been changed when necessary to align them with policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if doing so causes the non-controlling interest to have a deficit balance.

An associated company is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

A joint venture company is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group accounts for its investments in associated and joint venture companies using the equity method, initially at cost, including transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of associated and joint venture companies, until the date on which significant influence or joint control ceases. Dividends reduce the carrying amounts of the investments.

When the Group's share of losses in an associated or joint venture company equals or exceeds its interest in the associated or joint venture company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated or joint venture company.

2 Summary of Significant Accounting Policies (continued)

(e) Subsidiary, associated and joint venture companies (continued)

The most recently available audited financial statements of the associated and joint venture companies 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 provided by the associate or joint venture. Otherwise, an estimate is made for the balances to the end of the accounting period based on historical experience and adjusted for the effects of known significant transactions. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon the loss of significant influence or joint control over the associated or joint venture company, 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 and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

(f) Intangible assets

(i) Computer software

Acquired computer software is stated at cost less accumulated amortisation and accumulated impairment losses.

(ii) Deferred engine development cost

The Group's share of engine development payments, made in connection with its participation in aircraft engine development projects with other companies, is measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Brand and trademarks

The brand and trademarks were acquired in business combinations. The useful life of the brand is indefinite and is measured at cost less accumulated impairment losses. When the brand is no longer in use and the Group has no intention to sell the brand, the entire carrying amount is considered impaired. Trademarks which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(iv) Goodwill

Goodwill acquired in a business combination is included in intangible assets. For the measurement of goodwill at initial recognition, refer to note 2(d). Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

Goodwill that forms part of the carrying amount of an associated company is not recognised separately, and therefore, is not tested for impairment separately. Instead, the entire amount of the investment in the associated company is tested for impairment as a single asset when there is objective evidence that the investment in associated company may be impacted.

(v) Other intangible assets

Purchased landing slots are measured at cost less accumulated impairment losses.

Licences acquired in business combinations are initially measured at fair value and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

2 Summary of Significant Accounting Policies (continued)

(f) Intangible assets (continued)

(vi) Carbon credits

Carbon credits are initially measured at cost. Subsequent to initial recognition, the carbon credits are measured at cost less any accumulated impairment losses. The cost of carbon credits is based on the first-in, first-out allocation method.

(vii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(viii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and carbon credits, from the date they are available for use. The estimated useful lives are as follows:

- Computer software 1 – 10 years

For deferred engine development cost, amortisation begins when the aircraft engines are available for sale. These deferred engine development costs are amortised on a straight-line basis over the period of expected sales of the aircraft engines, which is estimated to be over a period of 39 years.

Advance and progress payments are not amortised. Amortisation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted if appropriate.

(g) Foreign currencies

Foreign currency transactions

Foreign currency transactions are translated into SGD at the rates prevailing at the dates of those transactions.

All foreign currency monetary assets and liabilities are translated into SGD at rates prevailing at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The foreign currency gain or loss on monetary assets and liabilities is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency re-translated at the exchange rate at the end of the year.

Foreign currency differences are recognised in the profit and loss account, except for qualifying cash flow hedges which are deferred to equity.

2 Summary of Significant Accounting Policies (continued)

(g) Foreign currencies (continued)

Foreign operations

For the purpose of the consolidated financial statements, the net assets of foreign subsidiary, associated and joint venture companies are translated into SGD at rates prevailing at the reporting date. The financial results of foreign subsidiary, associated and joint venture companies are translated monthly into SGD at prevailing exchange rates. The resulting gains or losses on exchange are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations, and translated into SGD at the closing rate at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity, except to the extent that the foreign currency differences are allocated to non-controlling interests.

(h) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When parts of a property, plant and equipment have different useful lives, they are accounted for as separate components. Cost includes expenditure that is directly attributable to the acquisition of the asset, including capitalised borrowing cost.

When assets are sold or retired, their costs, accumulated depreciation and accumulated impairment losses, if any, are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

Leasehold hotel properties held by an associated company are carried at fair value, less accumulated depreciation and accumulated impairment losses. Fair values of leasehold hotel properties are determined by independent professional valuers on an annual basis. The Group’s share of the revaluation gain or loss is reflected under the share of post-acquisition capital reserve.

2 Summary of Significant Accounting Policies (continued)

(h) Property Plant and equipment (continued)

(ii) Depreciation of property, plant and equipment

Depreciation is based on the cost of an asset less its residual value. Operational lives, residual values and depreciation methods are reviewed annually, and adjusted prospectively, if appropriate. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised from the date the property, plant and equipment is installed and ready for use.

Freehold land, advance and progress payments are not depreciated.

The estimated useful lives and residual values are as follows:

Property, plant and equipment type	Useful lives	Residual values
Aircraft, spares and spare engines		
Passenger aircraft, spares and spare engines	12 – 25 years	0% to 10% of cost; or market value estimates
Embedded engine overhaul costs	4 – 6 years	Nil
Freighter aircraft	20 – 25 years	Market value estimates
Major inspection costs relating to landing gear overhauls and heavy maintenance visits	4 – 12 years	Nil
Training aircraft	5 – 15 years	10% of cost
Flight simulators	10 years	Nil
Leasehold land and buildings		
Office premises	Shorter of lease period or 30 years	Nil
Household premises	Shorter of lease period or 30 years	Nil
Other premises	Shorter of lease period or 30 years	Nil
Leasehold hotel properties held by an associated company	Lease period of 99 years, up to 2081	Nil
Others		
Plant and equipment, office and computer equipment	1 to 15 years	Nil

The residual values of certain aircraft are subject to foreign currency fluctuations and are remeasured to the prevailing exchange rates at the end of the reporting period.

2 Summary of Significant Accounting Policies (continued)

(i) Leases

At the inception of the contract, the Group assesses if the contract contains a lease. A contract 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

The Group recognises a right-of-use ("ROU") asset and lease liability at the lease commencement date.

<u>ROU asset</u>

ROU asset is initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimated cost to restore the underlying asset, less any lease incentive received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, except for embedded engine overhaul cost. The embedded engine overhaul cost is depreciated over the useful life on the same basis as those of property, plant and equipment disclosed in note 2(h). In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

Major improvements and modifications to leased aircraft due to operational requirements are capitalised and depreciated over their expected useful lives (estimated to be 4 to 12 years).

<u>Lease liability</u>

The initial measurement of lease liability is measured at the present value of the unpaid lease payments discounted using the implicit rate in the lease, or if the rate cannot be easily determined, the Group shall use its incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining the interest rate from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments include the following:

- Fixed payments, including in-substance fixed payments, less any incentives receivables;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees.

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 or if there is a change in the Group's estimate of the residual value guarantees, extension or termination options, or there is a revision to an in-substance fixed payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease components for property and training aircraft leases and account for these as one single lease component.

Interest expense arising from lease liabilities are included in repayment of leases under cash flow from financing activities in the consolidated statement of cash flows.

2 Summary of Significant Accounting Policies (continued)

(i) Leases (continued)

(i) As a Lessee (continued)

Short-term leases and leases of low value assets

The Group has elected not to recognise ROU assets and lease liabilities for leases of low value and short term aircraft and engine leases. 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

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 ROU 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 IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (refer to note 2(k)).

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventories is determined on a weighted average basis and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments

(i) Recognition and initial measurement

A financial asset or financial liability (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, in the case of a financial asset or liability not carried at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income ("FVOCI") or FVTPL.

For equity investments that are not held for trading, the Group may irrevocably elect, on initial recognition, to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

a) Amortised cost: A non-equity financial asset can be measured at amortised cost if it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) FVOCI: A non-equity financial asset can be measured at FVOCI only if it meets both of the following conditions:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) FVTPL: All other financial assets are classified as measured at FVTPL. Financial assets that are held for trading or are managed, and whose performance is evaluated on a fair value basis, are measured at FVTPL.

In addition, 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, to be measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Business model assessment

The Group makes an assessment of the objective of a business model in which an 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 portfolio 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;
- How managers of the portfolio are compensated; and
- The frequency, volume and timing of disposals in prior periods, the reasons for such disposals and its expectations about future activity.

Assessment of whether contractual cash flows are solely payments of principal and interest

For assessment purposes, '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 profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers contingent events, leverage features, modifications of the time value of money and other limiting terms in the contractual terms of the instrument, which could change the timing or amount of contractual cash flows such that the cash flows of the instrument would not be reflective of solely payments of principal and interest.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing those financial assets.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when 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.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the sum of the (i) consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that has been recognised in other comprehensive income, is recognised in profit or loss.

Any cumulative gain/loss recognised in other comprehensive income, in respect of equity investment securities designated as at FVOCI, is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition, that is created or retained by the Group, is recognised as a separate asset or liability.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e, the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement 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 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(v) Impairment

Expected credit loss

The Group recognises loss allowances for expected credit loss ("ECL") on non-equity financial instruments that are not measured at FVTPL.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- Non-equity financial instruments that are determined to have a low credit risk at the reporting date; and
- Other non-equity financial instruments (other than trade debtors) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for trade debtors are always measured at an amount equal to lifetime ECL.

The Group considers a non-equity financial instrument to have a low credit risk when its credit quality is rated to be of an investment grade by credit rating agencies.

12-month ECL is the portion of lifetime ECL that results from the default events on a financial instrument that are possible within the 12 months after the reporting date. The lifetime ECL is the expected credit loss over the term of the financial instrument, and is the shortfall of the probability weighted net present value of cash flows as compared to the carrying value of the non-equity financial asset.

The Group considers a financial guarantee contract provided on behalf of a counterparty to be in default when the counterparty is unlikely to pay its credit obligations to the creditor or the Group in full.

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(v) Impairment (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether non-equity financial assets that are carried at amortised cost or FVOCI 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.

(vi) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as forward currency contracts, foreign currency option contracts, fixed deposit contracts, cross currency swap contracts, interest rate swap contracts, jet fuel option contracts, jet fuel and Brent and crack swap contracts to hedge its risks associated with foreign currency, interest rate and jet fuel price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivative financial instruments are remeasured at their fair values. The Group also utilises financial liabilities to hedge its risks associated with foreign currency risks embedded within the residual values of owned aircraft.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken directly to the profit and loss account.

Designation of hedges

The Group designates certain derivatives as well as non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objective and strategy in undertaking the hedge, the economic relationship between the hedge instrument and the hedged item, the effects of credit risk on the hedge, the hedge ratio and the hedge type (cash flow or fair value).

Designation of a risk component of a hedged item is permitted when it is a separable identifiable component of the item, and the changes in the cash flows or the fair value of the item attributable to changes in the risk component is reliably measurable.

At the inception of the hedge relationship, the Group makes an assessment of whether the hedging instrument is expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item during the period for which the hedge is designated. For a cash flow hedge of a forecast transaction, the Group also assesses whether the forecast transaction is highly probable to occur and if it presents an exposure to variations in cash flows that could ultimately affect profit or loss.

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Designation of hedges (continued)

The hedge effectiveness assessment is an assessment of the economic relationship between the hedged item and the hedging instrument, and is therefore only forward looking. There is no prescribed quantitative hedge effectiveness threshold. Hedge effectiveness is the extent to which the changes in fair value of the hedging instrument offsets changes in the fair value of the hedged item.

The time value of an option is excluded from the designation of a financial instrument and is accounted for as a cost of hedging. The fair value changes related to time value are recognised in other comprehensive income and, depending on the nature of the hedged item, will either be transferred to profit and loss account in the same period that the underlying transaction affects profit or loss, or be capitalised into the initial carrying value of a hedged item.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued. The cumulative gain or loss previously recognised in the fair value reserve remains there until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

Hedges directly affected by interest rate benchmark reform - Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from Interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Hedges directly affected by interest rate benchmark reform - Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from Interest rate benchmark reform (continued)

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the contractual cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

Hedges directly affected by interest rate benchmark reform - Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by interest rate benchmark reform by using an approach other than changing the basis for determining the contractual cash flows of the hedging instrument;
- the chosen approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

The Group also amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Hedges directly affected by interest rate benchmark reform - Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform (continued)

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in other comprehensive income for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

Cash flow hedges

When a derivative is designated in a cash flow hedge, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the fair value reserve. Any ineffective portion of changes in the fair value of the derivative (i.e, the extent to which changes in the fair value of the hedge instrument do not match the changes in fair value of the hedged item) is recognised immediately in profit or loss.

The amount accumulated in equity is retained in other comprehensive income, and depending on the nature of the hedged item, will either be transferred to the profit or loss in the same period that the underlying transaction affects the profit and loss account or be capitalised in the initial carrying amount of a hedged item.

Fair value hedges

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(vii) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in Singapore dollars that can be converted to ordinary shares at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

2 Summary of Significant Accounting Policies (continued)

(l) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment 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 CGU's fair value less costs to sell and its value-in-use. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Where the carrying amount of an asset or its related CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For non-financial assets excluding goodwill and those with indefinite lives, 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 CGU'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 the profit and loss account unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(m) Loans, notes payable and borrowings

Loans, notes payable and other borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans, notes and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised, as well as through the amortisation process.

(n) Trade and other creditors

Trade and other creditors and amounts owing to subsidiary, associated and joint venture companies are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2 Summary of Significant Accounting Policies (continued)

(o) Provisions

Provisions are recognised when, as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic resources will be required to settle the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Provisions for return costs to meet contractual minimum conditions for the return of aircraft, at the end of the lease terms for aircraft under operating leases, are recorded over the lease terms.

(p) Share capital and share issuance expenses

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital, net of any tax effect.

(q) Mandatory convertible bonds ("MCBs")

The test on the classification of MCBs as equity or as liability is based on the substance of the contractual arrangement. If there is no obligation on the Group to pay cash to the holders or to settle the MCBs with a variable number of the Company's ordinary shares, they are classified as equity. In all other cases, the instrument is accounted for as a liability. Upon issuance, the MCBs are measured at the transaction price including qualifying issuance costs. MCBs accounted for as equity instruments are subsequently not remeasured. Liabilities are subsequently accounted for at amortised cost using the effective interest rate. Upon settlement of equity classified MCBs by issuance of ordinary shares upon conversion or by early redemption at the option of the Company, all amounts are also directly recognised in equity.

The MCBs issued by the Company are convertible at maturity only into a fixed number of ordinary shares of the Company. The holders have no right to demand repayment of the MCBs from the Company. The Company has the right to redeem the MCBs at its sole discretion for cash amounts stipulated in the contractual terms for each redemption date that includes an imputed return on investment. The MCBs are denominated in Singapore dollars.

The net proceeds of the MCBs issued (including any directly attributable transaction costs) are classified entirely as an equity component.

When the MCBs are redeemed before its maturity date, the difference between any redemption consideration and the carrying amount of the MCBs are directly recognised in equity at the date of transaction.

(r) Treasury shares

When shares are reacquired by the Company, the amount of consideration paid which includes directly attributable costs, net of any tax effect, is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in the capital reserve. Voting rights related to treasury shares are nullified and no dividends are allocated to them.

2 Summary of Significant Accounting Policies (continued)

(s) Taxation

(i) Current income tax

Tax recoverable and tax liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to, respectively, the tax authorities using tax rates enacted or substantively enacted at balance sheet date. 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.

Current income taxes are recognised in the profit or loss account except to the extent that the tax relates to a business combination, or items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided, using the balance sheet method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are not recognised for:

- Temporary differences on 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
- Temporary differences associated with investments in subsidiary, associated and joint venture companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that they will not reverse in the foreseeable future.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognised for all deductible temporary differences, 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.

Deferred tax assets are 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.

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 is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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 tax authority.

2 Summary of Significant Accounting Policies (continued)

(t) Revenue

Revenue is principally earned from the carriage of passengers, cargo and mail, engineering services, tour activities and sale of merchandise, amongst others. Revenue for the Group excludes dividends from subsidiary companies and intra-group transactions.

(i) Passenger, cargo and mail

Passenger, cargo and mail sales are recognised as operating revenue when the transportation is provided. The value of unutilised tickets and airway bills is included in current liabilities as sales in advance of carriage. Breakage revenue (tickets sold and not uplifted at flight date) is recognised at flight date by estimating a percentage of tickets that will never be utilised, based on historical trends and experience. Where historical trends and experience are not appropriate, the value of unutilised tickets one year after expiry is recognised as revenue. The value of airway bills is recognised as revenue if unused after one year.

The Group sells certain tickets with connecting flights with one or more segments operated by its other airline partners. For segments operated by its other airline partners, the Group has determined that it is acting as an agent on behalf of other airlines as they are responsible for their portion of the contract (i.e, transportation of the passenger). The Group, as the agent, recognises revenue at the time of the travel for the net amount representing commission to be retained by the Group for any segments flown by other airlines.

The Group has applied the practical expedient and recognised the costs of selling airline travel tickets as an expense when it is incurred.

(ii) Engineering services

Revenue from repair and maintenance of aircraft, and engine and component overhaul is recognised based on the percentage of completion of the projects. The percentage of completion of the projects is determined based on the number of man-hours incurred to date against the estimated man-hours needed to complete the projects.

(iii) KrisFlyer

The Company operates a frequent flyer programme called “KrisFlyer” that provides travel awards to programme members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits is deferred until they are utilised.

In addition, the Company sells miles to programme partners for issuance to their programme members. For miles purchased by programme partners, revenue is deferred until awards are utilised.

The deferment of the revenue is estimated based on historical trends of breakage, which is then used to project the expected utilisation of these benefits.

2 Summary of Significant Accounting Policies (continued)

(t) Revenue (continued)

(iv) Others

Revenue from tour activities is recognised upon commencement of the tours.

Revenue from sale of merchandise is recognised when the product is delivered and received by the customer.

Rental income from the lease of aircraft is recognised on a straight-line basis over the lease term.

(u) Government grants

Government grants are recognised in profit or loss. To the extent they relate to expenses incurred by the Group, they are recognised as a deduction against expenses on a systematic basis in the same periods in which the expenses are incurred.

(v) Income from investments

Dividend income from investments is recognised when the Group's right to receive the payment is established.

Interest income from investments and fixed deposits is recognised using the effective interest method.

(w) Employee benefits

(i) Equity compensation plans

The fair value determined at the grant date of the equity-settled share-based payment awards is recognised on a straight-line basis over the vesting period. In valuing the share awards, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company and non-vesting performance conditions.

Non-market vesting performance conditions are included in the estimation of the number of shares that are expected to be awarded on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to be awarded on the vesting date and recognises the impact of the revision of the estimates in the profit and loss account, with a corresponding adjustment to the share-based compensation reserve, over the remaining vesting period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested 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 general reserve upon cancellation or expiry of the vested awards. When the awards are released, the share-based compensation reserve is transferred to share capital if new shares are issued, or to treasury shares if the awards are satisfied by the reissuance of treasury shares.

2 Summary of Significant Accounting Policies (continued)

(w) Employee benefits (continued)

(ii) Defined benefit plans

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Remeasurements comprising actuarial gains and losses, and the return on plan assets are recognised immediately in other comprehensive income in the period in which they arise. All expenses related to the defined benefit plans are recognised as an expense in profit or loss. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by long-term employee benefit funds or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group.

(iii) Defined contribution plans

As required by law, the companies in Singapore make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution scheme. Certain of the Group's subsidiary companies and overseas stations outside Singapore make contributions to their respective countries' defined contribution pension schemes. Such contributions are recognised as an expense in the period in which the related service is performed.

(iv) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(x) Aircraft maintenance and overhaul costs

The Group recognises aircraft maintenance and overhaul expenses (except heavy maintenance visits, engine overhaul and landing gear overhaul expenses) on an incurred basis. For engine overhaul costs covered by power-by-hour third-party maintenance agreements, a portion of the cost is expensed at a fixed rate per hour during the terms of the agreements. The remaining payments made are recorded as an advance payment, to the extent that it is to be utilised in the future. Upon completion of an overhaul, these amounts are transferred to property, plant and equipment and depreciated over their useful lives.

(y) Borrowing costs

Borrowing costs incurred to finance advance and progress payments for aircraft are capitalised as part of advance and progress payments until the aircraft are commissioned for operation or the projects are completed. All other borrowing costs are recognised as finance charges in the period in which they are incurred.

2 Summary of Significant Accounting Policies (continued)

(z) Segment reporting

(i) Business segment

For management purposes, the Group is organised into operating segments based on the nature of the services provided which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to corporate management who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

(ii) Geographical segment

The analysis of revenue by area of original sale from airline operations is derived by allocating revenue to the area in which the sale was made. Revenue from other operations, which consist principally of engineering services, is derived in East Asia and is therefore, not shown.

Assets, which consist principally of flight and ground equipment, support the entire worldwide transportation system, and are mainly located in Singapore. An analysis of assets and capital expenditure of the Group by geographical distribution has therefore not been included.

(aa) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held and MCBs. Diluted earnings per share is determined by adjusting the profit or loss attributable to owners of the Company and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible bonds and share awards granted to employees.

3 Significant Accounting Estimates and Critical Judgements

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income, expenses, and disclosures made. Actual results may differ from these estimates. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of property, plant and equipment – aircraft fleet

Impairment is recognised when events and circumstances indicate that the aircraft may be impaired and the carrying amounts of the aircraft exceed the recoverable amounts. Recoverable amount is defined as the higher of an aircraft's or CGU's fair value less costs to sell and its value-in-use. When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on financial budgets approved by the Management covering a specified period. Information about the Group's key underlying assumptions used in the value-in-use calculations and the related sensitivity analysis is disclosed in note 21.

3 Significant Accounting Estimates and Critical Judgements (continued)

(b) Depreciation of property, plant and equipment – aircraft fleet

Aircraft are depreciated on a straight-line basis at rates which are calculated to write down their cost to their estimated residual values at the end of their useful lives. Certain estimates regarding the useful lives and residual values of the fleet are made by the Group based on past experience and these are in line with the industry. The useful lives and residual values are reviewed on an annual basis. The carrying amount of the Group's and the Company's aircraft fleet at 31 March 2023 was $14,804.6 million (2022: $15,712.8 million) and $13,277.5 million (2022: $13,294.2 million) respectively.

(c) Passenger revenue recognition

Passenger sales are recognised as operating revenue when the transportation is provided. The value of unused tickets is included as sales in advance of carriage on the statement of financial position. Certain estimates are made by the Group's passenger airlines with regards to the expected ticket breakage (tickets sold and not uplifted at flight date) to determine the amount of revenue to be recognised as revenue in the current financial year pertaining to tickets that will never be utilised.

The carrying amount of the Group's and the Company's sales in advance of carriage at 31 March 2023 was $4,631.4 million (2022: $2,107.8 million) and $4,275.6 million (2022: $1,997.0 million) respectively.

(d) Frequent flyer programme

The Company's KrisFlyer programme provides travel awards to programme members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits is deferred until they are utilised.

In addition, the Company sells miles to programme partners for issuance to their programme members. For miles purchased by programme partners, revenue is deferred until awards are utilised.

The deferment of the revenue is estimated based on historical trends of breakage, which is then used to project the expected utilisation of these benefits.

The carrying amount of the Group's and the Company's deferred revenue at 31 March 2023 was $866.3 million (2022: $925.7 million).

(e) Aircraft maintenance and overhaul expenditure under power-by-hour agreements

The Group has entered into several power-by-hour ("PBH") engine maintenance agreements with original equipment manufacturers of aircraft engines. The monthly payments are based on the number of flying hours flown. A portion of the cost is expensed at a fixed rate per hour during the term of the PBH agreement. The remaining payments made are recorded as an advance payment, to the extent that it is to be utilised through future maintenance activities, if any, or capitalised upon completion of an overhaul.

The proportion of the amount to be expensed off and capitalised is determined based on the best estimate of the proportion of day-to-day maintenance compared to maintenance which extends the useful lives of the engine. The carrying amount of the advance payment relating to PBH agreements for the Group and the Company at 31 March 2023 was $1,227.8 million (2022: $1,022.8 million) and $855.6 million (2022: $712.9 million) respectively. The maintenance and repair costs covered by PBH agreements which were expensed off during the year amounted to $97.8 million (FY2021/22: $81.8 million) for the Group and $56.9 million (FY2021/22: $29.6 million) for the Company.

3 Significant Accounting Estimates and Critical Judgements (continued)

(f) Provision for lease return costs

Prior to the return of aircraft leased by the Group entities to the lessor, the Group entities are required to fulfil certain lease return conditions which may include the completion of certain maintenance activities to the airframe and engines and the reconfiguration of seats within the aircraft. The provision for lease return costs for these leased aircraft is determined based on the best estimate of the costs that will be incurred to fulfil the stipulated lease return conditions. The carrying amount of the provision for the Group and the Company at 31 March 2023 was $1,278.9 million (2022: $1,220.4 million) and $553.5 million (2022: $535.7 million) respectively.

4 Segment Information (in $ million)

Management has determined that the Group has the following reportable segments:

(i) The Full-Service Carrier ("FSC") segment provides passenger and cargo air transportation under the Singapore Airlines brand with a focus on full-service passenger segment.

(ii) The Low-Cost Carrier ("LCC") segment provides passenger air transportation under the Scoot brand with a focus on the low-cost passenger segment.

(iii) Engineering services segment provides airframe maintenance and overhaul services, line maintenance, technical ground handling services and fleet management. It also manufactures aircraft cabin equipment, refurbishes aircraft galleys, provides technical and non-technical handling services and repair and overhaul of hydro-mechanical aircraft equipment.

Other services provided by the Group, such as tour activities and sale of merchandise, have been aggregated under the segment "Others". None of these segments meets any of the quantitative thresholds for determining reportable segments in FY2022/23 or FY2021/22.

Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transactions carried out between operating segments during the financial year are in the normal course of business.

4 Segment Information (in $ million) (continued)

Business segments

The Group's business is organised and managed separately according to the nature of the services provided. The following table presents revenue and profit information regarding business segments for the financial years ended 31 March 2023 and 2022 and certain assets and liabilities information of the business segments as at those dates.

FY2022/23	FSC	LCC	Engineering services	Others	Total of segments	Elimination*	Consolidated
TOTAL REVENUE							
External revenue	15,544.3	1,845.2	311.3	74.0	17,774.8	-	17,774.8
Inter-segment revenue	45.8	119.8	484.7	57.6	707.9	(707.9)	-
	15,590.1	1,965.0	796.0	131.6	18,482.7	(707.9)	17,774.8
RESULTS							
Segment result	2,601.2	148.1	(26.3)	(30.7)	2,692.3	(0.2)	2,692.1
Finance charges	(398.3)	(160.6)	(2.0)	(1.4)	(562.3)	142.4	(419.9)
Interest income	515.2	18.8	12.3	8.2	554.5	(141.9)	412.6
Write-back of impairment of aircraft	57.2	-	-	-	57.2	-	57.2
Write-back of impairment of base maintenance assets	-	-	1.7	-	1.7	-	1.7
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(8.8)	1.5	-	-	(7.3)	-	(7.3)
Impairment of goodwill	-	-	-	(14.0)	(14.0)	-	(14.0)
Dividends from long-term investments	4.0	-	-	-	4.0	-	4.0
Other non-operating items	(60.9)	0.2	2.0	(0.3)	(59.0)	0.6	(58.4)
Share of profits of joint venture companies	2.5	-	29.3	-	31.8	-	31.8
Share of (losses)/profits of associated companies	(111.5)	-	48.5	-	(63.0)	-	(63.0)
Taxation	(506.0)	35.5	1.0	(4.0)	(473.5)	-	(473.5)
Profit/(Loss) for the financial year	2,094.6	43.5	66.5	(42.2)	2,162.4	0.9	2,163.3
Attributable to:							
Owners of the Company							2,156.8
Non-controlling interests							6.5
							2,163.3

* *Relates to inter-segment transactions eliminated on consolidation.*

4 Segment Information (in $ million) (continued)

Business segments (continued)

FY2021/22	FSC	LCC	Engineering services	Others	Total of segments	Elimination*	Consolidated
TOTAL REVENUE							
External revenue	7,041.1	298.4	196.8	78.5	7,614.8	-	7,614.8
Inter-segment revenue	27.0	134.4	369.3	41.3	572.0	(572.0)	-
	7,068.1	432.8	566.1	119.8	8,186.8	(572.0)	7,614.8
RESULTS							
Segment result	(111.9)	(453.6)	(21.9)	(17.1)	(604.5)	(5.2)	(609.7)
Finance charges	(357.2)	(95.0)	(2.6)	(0.6)	(455.4)	63.8	(391.6)
Interest income	106.0	0.9	1.8	0.4	109.1	(63.2)	45.9
Impairment of aircraft	(50.5)	-	-	-	(50.5)	-	(50.5)
Impairment of base maintenance assets	-	-	(8.4)	-	(8.4)	-	(8.4)
Surplus on disposal of aircraft, spares and spare engines	84.4	0.4	-	1.1	85.9	-	85.9
Dividends from long-term investments	4.0	-	-	-	4.0	-	4.0
Other non-operating items	(58.7)	8.0	1.2	-	(49.5)	-	(49.5)
Share of profits of joint venture companies	0.4	-	29.4	-	29.8	-	29.8
Share of (losses)/profits of associated companies	(182.8)	-	49.7	-	(133.1)	(12.8)	(145.9)
Taxation	63.4	61.8	18.6	(1.9)	141.9	-	141.9
(Loss)/Profit for the financial year	(502.9)	(477.5)	67.8	(18.1)	(930.7)	(17.4)	(948.1)
Attributable to:							
Owners of the Company							(962.0)
Non-controlling interests							13.9
							(948.1)

* *Relates to inter-segment transactions eliminated on consolidation.*

4 Segment Information (in $ million) (continued)

Business segments (continued)

	FSC	LCC	Engineering services	Others	Total of segments	Elimination*	Consolidated
AS AT 31 MARCH 2023							
Segment assets	42,908.3	5,999.0	1,280.4	777.2	50,964.9	(2,925.4)	48,039.5
Investments in associated and joint venture companies	337.0	-	685.3	-	1,022.3	-	1,022.3
Long-term investments	36.7	-	-	2.7	39.4	-	39.4
Total assets	43,282.0	5,999.0	1,965.7	779.9	52,026.6	(2,925.4)	49,101.2
Segment liabilities	11,675.0	1,014.7	182.9	132.7	13,005.3	(2,962.0)	10,043.3
Lease liabilities	2,727.0	1,331.0	112.7	8.8	4,179.5	(1.6)	4,177.9
Long-term liabilities	381.9	-	-	-	381.9	-	381.9
Provisions	710.2	722.9	1.8	2.5	1,437.4	-	1,437.4
Defined benefit plans	91.2	-	-	-	91.2	-	91.2
Borrowings	10,890.4	250.3	2.5	18.2	11,161.4	-	11,161.4
Tax liabilities	1,513.9	(27.2)	(10.9)	82.5	1,558.3	-	1,558.3
Total liabilities	27,989.6	3,291.7	289.0	244.7	31,815.0	(2,963.6)	28,851.4
Capital expenditure	1,451.5	100.9	48.6	0.8	1,601.8	-	1,601.8
Purchase of intangible assets	64.9	4.1	11.0	2.2	82.2	-	82.2
Depreciation	1,636.4	323.1	59.3	3.1	2,021.9	(17.0)	2,004.9
Write-back of impairment of aircraft	(57.2)	-	-	-	(57.2)	-	(57.2)
Write-back of impairment of base maintenance assets	-	-	(1.7)	-	(1.7)	-	(1.7)
Impairment of goodwil	-	-	-	14.0	14.0	-	14.0
Amortisation of intangible assets	60.5	3.5	4.7	6.9	75.6	-	75.6
Non-cash items other than depreciation, impairment of property, plant and equipment and amortisation of intangible assets	114.9	(5.6)	6.0	(1.5)	113.8	-	113.8

* *Relates to inter-segment transactions eliminated on consolidation.*

4 Segment Information (in $ million) (continued)

Business segments (continued)

	FSC	LCC	Engineering services	Others	Total of segments	Elimination*	Consolidated
AS AT 31 MARCH 2022							
Segment assets	42,074.9	5,217.5	1,169.4	286.5	48,748.3	(1,159.1)	47,589.2
Investments in associated and joint venture companies	388.0	-	651.2	-	1,039.2	-	1,039.2
Long-term investments	39.9	-	-	2.7	42.6	-	42.6
Total assets	42,502.8	5,217.5	1,820.6	289.2	49,830.1	(1,159.1)	48,671.0
Segment liabilities	6,784.2	732.4	139.1	97.0	7,752.7	(1,299.9)	6,452.8
Lease liabilities	2,737.5	886.0	66.9	10.5	3,700.9	(18.4)	3,682.5
Long-term liabilities	1,077.7	-	-	-	1,077.7	-	1,077.7
Provisions	642.5	682.3	3.0	-	1,327.8	-	1,327.8
Defined benefit plans	99.9	-	-	-	99.9	-	99.9
Borrowings	11,694.7	298.0	2.8	16.8	12,012.3	-	12,012.3
Tax liabilities	1,226.4	0.2	(12.6)	3.6	1,217.6	-	1,217.6
Total liabilities	24,262.9	2,598.9	199.2	127.9	27,188.9	(1,318.3)	25,870.6
Capital expenditure	2,747.6	281.7	18.4	1.0	3,048.7	-	3,048.7
Purchase of intangible assets	60.7	4.4	4.9	4.4	74.4	-	74.4
Depreciation	1,599.4	282.0	59.8	3.3	1,944.5	(16.9)	1,927.6
Impairment of aircraft	50.5	-	-	-	50.5	-	50.5
Impairment of base maintenance assets	-	-	8.4	-	8.4	-	8.4
Amortisation of intangible assets	58.9	3.2	3.5	6.4	72.0	-	72.0
Non-cash items other than depreciation, impairment of property, plant and equipment and amortisation of intangible assets	11.4	4.0	6.5	1.1	23.0	-	23.0

* *Relates to inter-segment transactions eliminated on consolidation.*

4 Segment Information (in $ million) (continued)

Geographical segments

The following table presents revenue information on airline operations by geographical areas for the financial years ended 31 March 2023 and 2022.

	By area of original sale	
	FY2022/23	FY2021/22
East Asia	8,764.6	4,447.6
Europe	2,684.2	1,158.2
South West Pacific	2,715.3	677.3
Americas	1,419.8	427.2
West Asia and Africa	1,379.7	435.9
Systemwide	16,963.6	7,146.2
Non-scheduled services and incidental revenue	591.5	354.7
	17,555.1	7,500.9

No single customer contributed to more than 10% of the Group's revenue during the financial years ended 31 March 2023 and 2022.

5 Staff Costs (in $ million)

	The Group	
	FY2022/23	FY2021/22
Salary, bonuses and other costs	2,821.8	1,275.8
CPF, other defined contributions and defined benefit expense	210.5	180.8
Share-based compensation expense	23.5	17.0
	3,055.8	1,473.6

The Group contributes to several post-employment defined benefit plans for employees at several overseas locations. Employees may contribute in some of these plans and these contributions are matched in varying amounts by the Group. Defined benefit expense for the Group was $4.0 million for FY2022/23 (FY2021/22: $7.8 million). As this is not material to the total staff costs of the Group for FY2022/23 and FY2021/22, additional disclosures of the defined benefit plans are not shown.

Included in staff costs for FY2022/23 is wage support of $108.2 million (FY2021/22: $383.4 million) from the Singapore Government.

Share-based compensation arrangements

As at 31 March 2023, the Group has the following share-based compensation arrangements:

(a) Share-based incentive plans (equity-settled)

The SIA Restricted Share Plan 2014 ("RSP") and the SIA Performance Share Plan 2014 ("PSP") are share-based incentive plans for senior executives and key Senior Management, which were approved by the shareholders of the Company at the Extraordinary General Meeting held on 30 July 2014.

The RSP awards fully paid ordinary shares of the Company, conditional on position and individual performance targets set at the start of the performance period based on medium-term Group and Company objectives.

In respect of FY2022/23 Strategic Share Award ("SSA") under the RSP, the award made in July 2022 to Senior Management (Senior Vice Presidents and above) was based on Board Compensation & Industrial Relations Committee assessment of SIA Management's Covid-19 response and recovery for FY2021/22.

5 Staff Costs (in $ million) (continued)

Share-based compensation arrangements (continued)

(a) Share-based incentive plans (equity-settled) (continued)

The FY2022/23 RSP award was made in July 2022 on a contingent performance basis to Senior Management and other key executives (Vice Presidents and Divisional Vice Presidents).

The PSP awards fully paid ordinary shares of the Company, conditional on performance targets set at the start of a three-year overlapping performance period based on stretched long-term total shareholder return objectives.

The FY2022/23 PSP award was made in July 2022 on a contingent performance basis to Senior Management.

Key terms and conditions related to the grants made during FY2022/23 under these programmes are as follows:

Plans	Vesting Conditions	Performance conditions^	Payout
RSP	• Based on meeting stated performance conditions over a one-year performance period, one-third of award vests. • Balance vests equally over the subsequent two years with fulfilment of service requirements.	• Company Operational Performance Scorecard ("COPS") with operational focus dealing with Covid-19 response and recovery	0% - 150%*
PSP	• Based on meeting stated performance conditions over a three-year performance period.	• Absolute Total Shareholder Return ("TSR") outperform Cost of Equity • Relative TSR against selected airline peer index companies	0% - 200%*
SSA	• The award was based on BCIRC assessment of Covid-19 response • 50% of the award vests upon grant • Balance vests equally over the subsequent two years with fulfilment of service requirements. • Additional 20% equity kicker of final award upon final vesting.	• No further conditions	100%

^ *For non-market conditions, achievement factors are determined based on inputs from the BCIRC for the purpose of accrual for the share-based incentive plans until the achievement of the targets can be accurately ascertained.*

* *The payout depends on the achievement of pre-set performance targets over the performance period.*

5 Staff Costs (in $ million) (continued)

Share-based compensation arrangements (continued)

(a) Share-based incentive plans (equity-settled) (continued)

Movement of share awards during the financial year

	Number of Share Awards			
Date of grant	Balance at 1 April 2022/ date of grant	Adjustment	Vested	Balance at 31 March 2023
RSP				
19.07.2019	179,950	-	(179,950)	-
16.07.2020	893,076	-	(460,228)	432,848
15.07.2021	1,640,725	463,875 #	(745,220)	1,359,380
14.07.2022	1,856,506	-	-	1,856,506
	4,570,257	463,875	(1,385,398)	3,648,734
PSP				
19.07.2019	608,880	(150,290) #	(458,590)	-
16.07.2020	605,600	-	-	605,600
15.07.2021	717,293	-	-	717,293
14.07.2022	666,516	-	-	666,516
	2,598,289	(150,290)	(458,590)	1,989,409
Transformation Share Award ("TSA")				
19.07.2019	13,500	10,800 ^	(24,300)	-
	13,500	10,800	(24,300)	-
SSA				
16.07.2020	239,000	191,200 ^	(430,200)	-
05.02.2021	19,650	-	(9,825)	9,825
15.07.2021	410,150	-	(205,075)	205,075
14.07.2022	964,900	-	(482,450)	482,450
23.12.2022	36,300	-	-	36,300
	1,670,000	191,200	(1,127,550)	733,650

\# *Adjustment at the end of performance period upon meeting stated performance targets and adjustments for number of days in service for retirees.*

^ *Adjustment at the end of the performance period relating to an additional equity kicker during the financial year.*

Since the commencement of the RSP and PSP plans in July 2014, 17,026,063 awards have been granted.

5 Staff Costs (in $ million) (continued)

Share-based compensation arrangements (continued)

(b) Measurement of fair values

The methods and inputs used in the measurement of fair values at grant date of the equity-settled share-based incentive plans were as follows:

	FY2022/23		
	RSP	PSP	SSA
Valuation Method	Monte Carlo Simulation		
Expected dividend paid yield (%)	Management's forecast in line with dividend policy		
Expected volatility (%)	20.47 - 30.05	30.05	20.47 - 26.86
Risk-free interest rate (%)	2.71 - 2.74	2.71	2.73 - 2.74
Expected term (years)	0.96 - 2.96	2.96	0.96 - 1.96
Share price at date of grant ($)	5.22	5.22	5.22
Estimated fair value ($)	4.92 - 5.11	6.95	5.02 - 5.22

	FY2021/22		
	RSP	PSP	SSA
Valuation Method	Monte Carlo Simulation		
Expected dividend paid yield (%)	Management's forecast in line with dividend policy		
Expected volatility (%)	28.70 - 33.98	28.70	32.36 - 33.98
Risk-free interest rate (%)	0.34 - 0.56	0.56	0.34 - 0.41
Expected term (years)	0.96 - 2.96	2.96	0.96 - 1.96
Share price at date of grant ($)	4.89	4.89	4.89
Estimated fair value ($)	4.89	6.67	4.89

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period that is commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

6 Operating Profit/(Loss) (in $ million)

Operating profit/(loss) for the financial year was arrived at after (crediting)/charging:

	The Group	
	FY2022/23	FY2021/22
Interest income from short-term investments	(0.8)	(1.0)
Dividend income from short-term investments	(0.2)	(0.2)
Loss/(Surplus) on disposal of short-term investments	0.4	(0.6)
Remuneration for auditors of the Company		
Audit fees	1.7	1.6
Audit-related fees	0.5	0.9
Non-audit fees	0.1	0.1
Bad debts written off	1.0	0.3
(Write-back of impairment)/Impairment of trade debtors	(6.1)	4.4
Writedown of inventories	9.3	7.0
Exchange loss/(gain), net	212.8	(0.9)
Currency hedging gain	(9.9)	-
Fuel hedging gain recognised in "Fuel costs"	(748.9)	(219.2)
Gain on lease remeasurement	(2.5)	(2.2)
Net loss on financial assets mandatorily measured at FVTPL	1.2	3.8
Expenses relating to short-term leases	3.2	15.6
Expenses relating to low value leases	4.0	3.8

7 Finance Charges (in $ million)

	The Group	
	FY2022/23	FY2021/22
Notes payable	190.8	187.7
Bank loans	131.8	99.8
Lease liabilities	158.1	136.7
Amortisation of transaction costs related to borrowings	27.5	6.5
Commitment fees	3.7	4.8
Interest paid and capitalised on qualifying assets	(92.0)	(43.9)
	419.9	391.6

Borrowing costs on qualifying assets are capitalised using an average interest rate of 2.5% (FY2021/22: 2.5%) per annum.

8 Interest Income (in $ million)

	The Group	
	FY2022/23	FY2021/22
Interest income from fixed deposits and investments	409.4	45.3
Interest income from sub-leasing of ROU assets	3.2	0.6
	412.6	45.9

9 Other Non-Operating Items (in $ million)

	The Group	
	FY2022/23	FY2021/22
Provision for onerous contracts	(72.7)	(38.9)
Impairment of long term investments	(3.2)	(5.2)
Write-back of provision/(Provision) for ECL on investments and loans	1.1	(5.1)
Write-back of provision/(Provision) for ECL on other debtors	3.4	(4.7)
Gain/(Loss) on sale and leaseback transactions	10.2	(3.9)
Write-back of impairment/(Impairment) of investment in an associated company	2.0	(2.1)
Refleeting and restructuring costs	(0.3)	(1.1)
Headcount rationalisation costs	1.3	0.5
(Loss)/Surplus on disposal of other property, plant and equipment	(0.4)	0.4
Write-back of provision for competition-related fine	0.2	-
Surplus on disposal of intangible assets	-	8.0
Gain on disposal of an associated company	-	2.6
	(58.4)	(49.5)

10 Taxation (in $ million)

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2023 and 2022 are:

	The Group	
	FY2022/23	FY2021/22
Current taxation		
Provision for the year	10.7	80.0
Over provision in respect of prior years	(30.4)	(13.8)
	(19.7)	66.2
Deferred taxation (refer to note 17)		
Movement in temporary differences	499.1	(185.1)
Over provision in respect of prior years	(5.9)	(23.0)
	493.2	(208.1)
	473.5	(141.9)

10 Taxation (in $ million) (continued)

Deferred taxation related to other comprehensive income:

	The Group	
	FY2022/23	FY2021/22
Cash flow hedges	(128.4)	237.6
Actuarial loss on revaluation of defined benefit plans	1.1	-
	(127.3)	237.6

The Group has tax losses and deductible temporary differences (for which no deferred tax asset has been recognised) of approximately $550.3 million (2022: $799.3 million) and $4.7 million (2022: $3.7 million) respectively that are available for offset against future taxable profits of the companies. The tax losses and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is uncertain that future taxable profits will be available against which the Group can utilise the benefits therefrom.

A reconciliation between taxation expense and the product of accounting loss multiplied by the applicable tax rate for the years ended 31 March is as follows:

	The Group	
	FY2022/23	FY2021/22
Profit/(Loss) before taxation	2,636.8	(1,090.0)
Add: Share of losses of associated and joint venture companies	31.2	116.1
	2,668.0	(973.9)
Taxation at statutory corporate tax rate of 17.0%	453.6	(165.6)
<u>Adjustments for:</u>		
Income not subject to tax	(13.2)	(48.5)
Expenses not deductible for tax purposes	86.5	30.0
Higher effective tax rates of other countries	7.4	1.0
Over provision in respect of prior years, net	(36.3)	(36.8)
Tax benefits not recognised	6.7	70.9
Previously unrecognised tax benefits	(19.4)	-
Others	(11.8)	7.1
Taxation	473.5	(141.9)

<u>Global minimum tax</u>

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development ("OECD") released a draft legislative framework, followed by detailed guidance released in March 2022, that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. Once changes to the tax laws in any jurisdiction in which the Group operates are enacted or substantively enacted, the Group may be liable to the top-up tax.

At the date when the financial statements were authorised for issue, none of the jurisdictions in which the Group operates had enacted or substantively enacted the tax legislation related to the top-up tax. Management is closely monitoring the progress of the legislative process in each jurisdiction the Group operates in. At 31 March 2023, the Group did not have sufficient information to determine the potential quantitative impact.

11 Earnings/(Loss) Per Share

	The Group			
	FY2022/23		FY2021/22	
	Basic	Diluted	Basic	Diluted
Profit/(Loss) attributable to owners of the Company (in $ million)	2,156.8	2,156.8	(962.0)	(962.0)
Adjustment for interest expense on convertible bonds, net of tax (in $ million)	-	24.8	-	-
Adjustment for the potential dilution from share-based incentive plans of a subsidiary company (in $ million)	-	(0.2)	-	(0.2)
Adjusted net profit/(loss) attributable to owners of the Company (in $ million)	2,156.8	2,181.4	(962.0)	(962.2)
Weighted average number of ordinary shares in issue (in million)	6,053.7	6,053.7	5,945.0	5,945.0
Adjustment for dilutive potential ordinary shares (in million)	-	158.6	-	-
Weighted average number of ordinary shares in issue used for computing earnings/(loss) per share (in million)	6,053.7	6,212.3	5,945.0	5,945.0
Earnings/(Loss) per share (cents)	35.6	35.1	(16.2)	(16.2)

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year, and assuming the conversion of all MCBs.

For purposes of calculating diluted earnings/(loss) per share, the profit/(loss) attributable to owners of the Company is adjusted to take into account the potential dilution from interest on convertible bonds, net of tax, and share-based incentive plans of a subsidiary company. The weighted average number of ordinary shares of the Company in issue is also adjusted to take into account effects of dilutive convertible bonds and share-based incentive plans of the Company.

The average market value of the Company's shares for purposes of calculating the potential dilution from share-based incentive plans was based on quoted market prices for the period.

12 Dividends Paid and Proposed (in $ million)

	The Group and the Company	
	FY2022/23	FY2021/22
The following tax exempt (one-tier) dividends were declared and paid by the Group and Company to the owners of the Company:		
Interim dividend of 10.0 cents per share in respect of FY2022/23	297.1	-
	297.1	-

The Directors propose that a final tax exempt (one-tier) dividend of 28 cents amounting to $831.8 million be paid for the financial year ended 31 March 2023.

No dividends were declared, paid or proposed by the Group and the Company to the owners of the Company for the financial year ended 31 March 2022.

During the financial year, total dividends of $1.6 million (FY2021/22: $1.4 million) were paid to non-controlling interests.

13 Share Capital (in $ million)

	The Group and the Company			
	Number of shares		Amount	
	2023	2022	2023	2022
Issued and fully paid share capital				
Ordinary shares				
Balance at 1 April and 31 March	2,977,543,504	2,977,543,504	7,180.2	7,180.2
Special share				
Balance at 1 April and 31 March	1	1	#	#

The value is $0.50

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares, which have no par value, carry one vote per share without restriction. All shares rank equally with regards to the Group's residual assets.

The Company's ability to operate its existing route network and flight frequency is derived solely from and dependent entirely on the Air Service Agreements ("ASAs") concluded between the Government of Singapore and the governments of other countries. ASAs are therefore critical to the Company's operations. In almost all the ASAs, it is a condition that the Company must at all times be "effectively controlled" and "substantially owned" by Singapore nationals for the tenure of the respective ASAs.

In order to comply with the above requirement, one non-tradeable Special Share was issued to the Ministry of Finance ("the Special Member"). The Special Share enjoys all the rights attached to ordinary shares. In addition, pursuant to Article 3A of the Articles of Association, no resolution may be passed on certain matters without prior written approval of the Special Member.

The Company can also issue non-tradeable redeemable cumulative preference shares, which carry full voting rights ("ASA shares"). When issued, the ASA shares will be paid at $0.01 each and will carry equal voting rights as those of ordinary shares. These shares will be issued only when the Directors determine that the Company's operating rights under any of the ASAs are threatened by reason of the nationality of the majority shareholders.

No shares were issued (FY2021/22: nil) upon vesting of share-based incentive plans during the year.

14 Mandatory Convertible Bonds (in $ million)

	The Group and the Company	
	2023	2022
Balance as at 1 April	9,691.2	3,496.1
Issued during the year	-	6,196.8
Transaction costs	-	(1.7)
Redeemed during the year	(3,496.1)	-
Balance as at 31 March	6,195.1	9,691.2

In June 2020 and June 2021, as part of the Company's efforts in proactively building liquidity and strengthening its balance sheet during the period of uncertainty, the Company issued the MCBs which are classified as equity. The Group's intent was to not burden the balance sheet with additional debt which may restrict the Group's ability to raise financing in the future. MCBs have been elected as the most appropriate instrument due to their financial flexibility, as it allows the Group to repay MCB holders in the future when the Group's situation improves and to avoid dilution of existing shareholders while being able to immediately strengthen the capital stock.

The MCBs will mandatorily convert into ordinary shares of the Company on 8 June 2030. The MCBs shall be convertible on the conversion date only. The MCBs may be redeemable at the option of the Company in whole or in part on every six-month anniversary of the issue date at fixed amounts.

During the financial year, the Company redeemed the $3,496.1 million MCBs that were issued in June 2020. The accreted principal amount paid by the Company, being 110.408% of the principal amount of the MCBs, was $3,860.0 million, with the difference of $363.9 million recognised in general reserve.

Following the declaration of an interim dividend of 10.0 cents per share on 4 November 2022, the conversion price of the MCBs was adjusted from $4.84 to $4.7453 per share in accordance with the terms and conditions set out in the Trust Deed.

The total number of ordinary shares to be issued on 8 June 2030 is 2,217,345,476 (2022: 3,478,587,238).

15 Treasury Shares (in $ million)

	The Group and the Company	
	2023	2022
Balance at 1 April	(106.5)	(133.2)
Treasury shares reissued pursuant to equity compensation plans:		
- Transferred from share-based compensation reserve	32.7	26.7
Balance at 31 March	(73.8)	(106.5)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

During the financial year, the Company did not purchase any treasury shares (FY2021/22: nil).

The Company reissued 2,995,838 (FY2021/22: 2,441,413) treasury shares pursuant to share-based incentive plans and 85,900 (FY2021/22: 80,300) treasury shares on payment of Directors' remuneration. The number of treasury shares as at 31 March 2023 was 6,967,078 (2022: 10,048,816).

16 Other Reserves (in $ million)

	The Group 31 March 2023	The Group 31 March 2022	The Company 31 March 2023	The Company 31 March 2022
Capital reserve	(116.0)	(107.3)	(897.7)	(881.6)
Foreign currency translation reserve	(32.4)	(16.2)	-	-
Share-based compensation reserve	24.3	20.7	19.8	16.7
Fair value reserve	506.9	1,076.2	467.9	939.5
General reserve	6,174.0	4,673.6	8,218.2	6,655.7
	6,556.8	5,647.0	7,808.2	6,730.3

(a) Capital reserve

Capital reserve for the Group mainly arose from the loss on the acquisition of non-controlling interests in a subsidiary company, revaluation of land and buildings owned by Ritz-Carlton Millenia Properties Private Limited, an associated company, gains or losses on the reissuance of treasury shares and the equity component on convertible bonds.

Capital reserve for the Company mainly arose from the re-integration of Singapore Airlines Cargo Pte Ltd ("SIA Cargo") in FY2018/19, gains or losses on the reissuance of treasury shares and the equity component on convertible bonds.

(b) 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.

(c) Share-based compensation reserve

Share-based compensation reserve consists of equity-settled share options and awards granted to employees, that is made up of the cumulative value of services received from employees recorded on grant of equity-settled share awards.

(d) Fair value reserve

Fair value reserve records the cumulative fair value changes of financial assets measured at FVOCI and the portion of the fair value changes (net of tax) on derivative financial instruments designated as hedging instruments in cash flow hedges that are determined to be effective hedges.

16 Other Reserves (in $ million) (continued)

(d) Fair value reserve (continued)

Breakdown of the fair value reserves is as follows:

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Derivative financial instruments designated as hedging instruments	506.9	1,076.2	467.9	939.5

Fair value changes of derivative financial instruments designated as hedging instruments in cash flow hedges:

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Gain on fair value changes	75.6	1,429.1	84.9	1,233.0
Recognised in the carrying values of non-financial assets on occurrence of capital expenditure commitments	(0.7)	5.1	(0.7)	5.1
Recognised in the profit and loss account on occurrence of:				
Fuel hedging contracts recognised in "Fuel costs"	(621.6)	(181.9)	(529.4)	(163.0)
Foreign currency contracts recognised in "Other operating expenses"	(26.4)	1.0	(26.4)	1.0
	(573.1)	1,253.3	(471.6)	1,076.1

(e) General reserve

General reserve comprises mainly retained earnings of the Group and the Company. Movements in the Group’s and the Company’s general reserves are set out in the Statements of Changes in Equity respectively.

17 Deferred Taxation (in $ million)

	The Group				The Company	
	Statement of financial position 31 March		Profit and loss		Statement of financial position 31 March	
	2023	2022	FY2022/23	FY2021/22	2023	2022
The deferred taxation arises as a result of:						
Deferred tax liabilities						
Differences in depreciation	2,284.0	1,657.8	626.2	(213.4)	1,910.9	1,382.6
Revaluation to fair value						
- fuel hedging contracts	131.5	398.2	-	-	124.5	398.2
- currency hedging contracts	3.0	-	-	-	2.8	-
- interest rate swap contracts	46.6	27.9	-	-	44.8	27.9
Other temporary differences	53.9	32.7	21.2	7.2	49.4	25.3
Gross deferred tax liabilities	2,519.0	2,116.6	647.4	(206.2)	2,132.4	1,834.0
Deferred tax assets						
Unabsorbed capital allowances and tax losses	(161.5)	(64.0)	(97.5)	142.0	(75.2)	-
Lease liabilities	(676.0)	(622.2)	(53.8)	(137.4)	(449.1)	(468.7)
Revaluation to fair value						
- fuel hedging contracts	(96.9)	(213.0)	-	-	(95.0)	(240.3)
- currency hedging contracts	(1.1)	-	-	-	(1.1)	-
- interest rate swap contracts	(0.9)	(2.5)	-	-	-	(2.2)
Other temporary differences	(152.4)	(150.6)	(2.9)	(6.5)	(37.0)	(40.0)
Gross deferred tax assets	(1,088.8)	(1,052.3)	(154.2)	(1.9)	(657.4)	(751.2)
Net deferred tax liabilities	1,430.2	1,064.3			1,475.0	1,082.8
Deferred tax charged to profit and loss			493.2	(208.1)		
Deferred tax charged to equity	(127.3)	237.6			(106.7)	201.4

Except for deferred tax liabilities recorded on unremitted earnings for certain group entities, the Group has determined the undistributed earnings of the remaining overseas subsidiaries will not be distributed in the foreseeable future. As at 31 March 2023, the unremitted earnings aggregated to $15.4 million (2022: $16.7 million). The deferred tax liability is estimated to be $4.6 million (2022: $5.0 million).

During the previous financial year, the Company recognised deferred tax assets of $2.7 million arising from the integration of SilkAir.

18 Borrowings (in $ million)

	The Group 31 March 2023	The Group 31 March 2022	The Company 31 March 2023	The Company 31 March 2022
Current Liabilities - Borrowings				
Notes payable	1,349.4	-	1,349.4	-
Loans	1,198.3	606.8	1,133.0	539.2
	2,547.7	606.8	2,482.4	539.2
Non-current Liabilities - Borrowings				
Notes payable	4,282.7	5,655.7	4,282.7	5,655.7
Loans	3,527.2	4,966.7	3,321.5	4,716.7
Convertible bonds	803.8	783.1	803.8	783.1
	8,613.7	11,405.5	8,408.0	11,155.5

Notes payable

Notes payable as at 31 March 2023 comprised unsecured notes issued by the Company. The details are set out below.

Series	Currency	Fixed interest rate per annum	Year of maturity	31 March 2023 Face Value	31 March 2023 Carrying value	31 March 2022 Face Value	31 March 2022 Carrying value
SGD10 Billion Multicurrency Medium Term Note Programme							
003	SGD	3.75%	2024	300.0	300.0	300.0	300.0
004	SGD	3.13%	2026	630.0 *	631.2	630.0 *	631.5
005	SGD	3.035%	2025	700.0	699.6	700.0	699.5
006	SGD	3.13%	2027	700.0	699.3	700.0	699.2
007	SGD	3.16%	2023	600.0	599.9	600.0	599.7
008	SGD	3.50%	2030	500.0	499.2	500.0	499.1
009	USD	3.00%	2026	664.7	662.1	676.7	673.2
010	USD	3.375%	2029	797.7	791.3	812.0	804.5
SGD2 Billion Medium Term Bond Programme							
001	SGD	3.03%	2024	750.0	749.5	750.0	749.0
				5,642.4	5,632.1	5,668.7	5,655.7

* Comprised $430.0 million in aggregate principal amount issued on 17 November 2016 and $200.0 million in aggregate principal amount issued on 17 October 2017 that was consolidated into Series 004.

18 Borrowings (in $ million) (continued)

Loans

The Group

Type	Currency	Interest rate per annum	Year of maturity	31 March 2023 Face Value	31 March 2023 Carrying value	31 March 2022 Face Value	31 March 2022 Carrying value
Fixed Rate							
Secured bank loan	SGD	2.86%	2028	526.4	525.6	613.6	612.7
Secured bank loan	SGD	2.92%	2028	252.0	250.3	300.0	297.9
Secured bank loan	SGD	2.62%	2029	567.8	566.9	654.2	653.1
Secured bank loan	SGD	0.34%	2029	101.3	101.1	116.3	116.0
Secured bank loan	SGD	0.35%	2029	104.7	104.6	119.0	118.8
Secured bank loan	SGD	2.10%	2030	270.0	268.3	300.0	297.9
Secured bank loan	SGD	2.19%	2030	241.9	240.6	271.2	269.6
Secured bank loan	SGD	2.15%	2032	246.0	244.3	269.1	267.1
Secured bank loan	SGD	2.14%	2030	120.9	120.0	135.6	134.4
Secured bank loan	SGD	2.15%	2032	225.2	223.3	263.0	260.6
Secured bank loan	SGD	1.92%	2030	230.3	228.3	258.6	256.0
Secured bank loan	SGD	1.98%	2030	120.7	120.0	135.5	134.6
Secured bank loan	SGD	2.07%	2030	128.2	127.6	142.8	142.1
Secured bank loan	SGD	2.24%	2031	128.4	127.7	142.9	142.0
Secured bank loan	EUR	0.46%	2029	98.4	98.3	117.5	117.2
Secured bank loan	EUR	0.65% - 0.68%	2029 - 2030	603.1	602.1	717.4	716.0
Secured bank loan	JPY	0.41%	2029	156.0	155.7	198.9	198.5
Third-party financing	SGD	4.90%	2023 - 2024	600.1	600.1	819.3	819.3
Floating rate							
Revolving credit facility	USD	6.07%	2023	0.7	0.7	-	-
Revolving credit facility	USD	6.35%	2023	1.3	1.3	-	-
Term Loan Drawndown	USD	6.96%	2025	0.5	0.5	-	-
Revolving credit facility	SGD	5.61%	2023	3.0	3.0	-	-
Revolving credit facility	SGD	5.64%	2023	8.0	8.0	-	-
Revolving credit facility	USD	2.38%	2022	-	-	2.8	2.8
Revolving credit facility	SGD	1.63%	2022	-	-	3.0	3.0
Revolving credit facility	SGD	2.68%	2022	-	-	8.0	8.0
Trust receipt	SGD	4.93%	2023	4.2	4.2	-	-
Trust receipt	SGD	1.39%	2022	-	-	5.9	5.9
Fellow shareholders' loan	SGD	4.46%	2025	3.0	3.0	-	-
				4,742.1	4,725.5	5,594.6	5,573.5

18 Borrowings (in $ million) (continued)

Loans (continued)

The Company

Type	Currency	Interest rate per annum	Year of maturity	31 March 2023 Face Value	31 March 2023 Carrying value	31 March 2022 Face Value	31 March 2022 Carrying value
Fixed Rate (Post interest rate and cross currency swaps)							
Secured bank loan	SGD	2.86%	2028	526.4	525.6	613.6	612.7
Secured bank loan	SGD	2.62%	2029	567.8	566.9	654.2	653.1
Secured bank loan	SGD	0.34%	2029	101.3	101.1	116.3	116.0
Secured bank loan	SGD	0.35%	2029	104.7	104.6	119.0	118.8
Secured bank loan	SGD	2.10%	2030	270.0	268.3	300.0	297.9
Secured bank loan	SGD	2.19%	2030	241.9	240.6	271.2	269.6
Secured bank loan	SGD	2.15%	2032	246.0	244.3	269.1	267.1
Secured bank loan	SGD	2.14%	2030	120.9	120.0	135.6	134.4
Secured bank loan	SGD	2.15%	2032	225.2	223.3	263.0	260.6
Secured bank loan	SGD	1.92%	2030	230.3	228.3	258.6	256.0
Secured bank loan	SGD	1.98%	2030	120.7	120.0	135.5	134.6
Secured bank loan	SGD	2.07%	2030	128.2	127.6	142.8	142.1
Secured bank loan	SGD	2.24%	2031	128.4	127.7	142.9	142.0
Fixed rate							
Secured bank loan	EUR	0.46%	2029	98.4	98.3	117.5	117.2
Secured bank loan	EUR	0.65% - 0.68%	2029 - 2030	603.1	602.1	717.4	716.0
Secured bank loan	JPY	0.41%	2029	156.0	155.7	198.9	198.5
Third-party financing	SGD	4.90%	2023 - 2024	600.1	600.1	819.3	819.3
				4,469.4	4,454.5	5,274.9	5,255.9

The Group uses interest rate swaps to hedge the variability of future interest payments on a floating rate loan attributable to movements in the relevant benchmark interest rates. As at 31 March 2023, the Group and Company had floating rate loans with nominal amounts of $3,840.5 million (2022: $4,426.8 million) and $3,588.5 million (2022: $4,126.8 million) which are hedged with interest rate swaps (refer to note 41(c)).

The third-party financing pertained to an arrangement with a third-party financier to finance the pre-delivery payments for certain aircraft. Under this arrangement, the Company will make periodic payments to the financier.

18 Borrowings (in $ million) (continued)

Convertible bonds

	The Group and the Company	
	2023	2022
Balance at 1 April	783.1	767.7
Amortised bond principal	19.1	13.8
Amortised transaction costs	1.6	1.6
Balance at 31 March	803.8	783.1

The Company held $850.0 million in principal amount of convertible bonds due 2025. These convertible bonds bear interest at 1.625% per annum, payable semi-annually in arrears.

The bonds are convertible at the option of the holder, at the prevailing conversion price from 13 January 2021 to 24 November 2025 (both dates inclusive).

Following the declaration of an interim dividend of 10.0 cents per share on 4 November 2022, the conversion price of the convertible bonds was adjusted from $5.743 to $5.6309 per share in accordance with the terms and conditions set out in the Trust Deed.

The convertible bonds are convertible to 150,952,778 (2022: 148,006,268) ordinary shares upon conversion.

The equity conversion component on initial recognition of the convertible bonds is $74.3 million.

19 Other Long-term Liabilities (in $ million)

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Maintenance reserve	-	1.8	-	1.8
Amount payable to engine manufacturer	58.1	-	58.1	-
Derivative liabilities (refer to note 41)	323.8	1,075.9	323.8	1,075.9
	381.9	1,077.7	381.9	1,077.7

20 Provisions (in $ million)

Included are provisions for return costs for leased aircraft, warranty claims and crew gratuity. It is expected that the return costs will be incurred by the end of the lease terms.

Other provisions include provisions for warranty claims, upgrade costs and end-of-lease liabilities. Provision for warranty claims is made for engine overhauls, repairs and maintenance of aircraft (excluding line maintenance), based on past experience of repairs.

An analysis of the provisions is as follows:

	The Group		
	Return costs for leased aircraft	Others	Total
Balance at 1 April 2021	1,223.6	170.4	1,394.0
Provision during the year	211.3	55.6	266.9
Provision written back during the year	(11.7)	(19.7)	(31.4)
Provision utilised during the year	(202.8)	(98.9)	(301.7)
Balance at 31 March 2022	1,220.4	107.4	1,327.8
Current	130.5	52.9	183.4
Non-current	1,089.9	54.5	1,144.4
	1,220.4	107.4	1,327.8
Balance at 1 April 2022	1,220.4	107.4	1,327.8
Provision during the year	142.7	96.1	238.8
Provision written back during the year	(16.7)	-	(16.7)
Provision utilised during the year	(67.5)	(45.0)	(112.5)
Balance at 31 March 2023	1,278.9	158.5	1,437.4
Current	287.1	103.2	390.3
Non-current	991.8	55.3	1,047.1
	1,278.9	158.5	1,437.4

	The Company		
	Return costs for leased aircraft	Others	Total
Balance at 1 April 2021	564.0	166.6	730.6
Provision during the year	131.9	53.4	185.3
Provision written back during the year	-	(19.7)	(19.7)
Provision utilised during the year	(171.1)	(95.9)	(267.0)
Effects of integration of SilkAir	10.9	-	10.9
Balance at 31 March 2022	535.7	104.4	640.1
Current	87.1	49.9	137.0
Non-current	448.6	54.5	503.1
	535.7	104.4	640.1
Balance at 1 April 2022	535.7	104.4	640.1
Provision during the year	68.4	96.5	164.9
Provision written back during the year	(16.7)	-	(16.7)
Provision utilised during the year	(33.9)	(44.2)	(78.1)
Balance at 31 March 2023	553.5	156.7	710.2
Current	84.1	101.4	185.5
Non-current	469.4	55.3	524.7
	553.5	156.7	710.2

21 Property, Plant and Equipment (in $ million)

The Group

	Aircraft	Aircraft spares	Aircraft spare engines	Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
Cost										
At 1 April 2021	23,156.7	561.5	332.5	15.7	135.4	630.7	761.8	359.8	6,455.7	32,409.8
Additions	80.7	11.9	-	-	-	0.1	5.8	11.5	3,527.1	3,637.1
Transfers	1,348.5	0.7	12.8	-	-	4.2	3.9	1.2	(1,371.3)	-
Transfer to assets held for sale	(365.3)	-	(52.5)	-	-	-	-	-	-	(417.8)
Disposals	(1,513.7)	(12.4)	-	-	-	-	(8.3)	(5.9)	-	(1,540.3)
Write-off	(2.6)	-	-	-	-	-	-	-	-	(2.6)
Exchange differences	10.6	-	-	-	-	0.2	0.2	-	-	11.0
At 31 March 2022	22,714.9	561.7	292.8	15.7	135.4	635.2	763.4	366.6	8,611.5	34,097.2
Additions	193.7	63.7	13.5	-	-	1.0	8.6	4.0	1,710.3	1,994.8
Transfers	1,512.4	0.1	(24.6)	-	-	-	0.5	9.4	(1,497.8)	-
Acquisition of a subsidiary company	-	-	-	-	-	-	6.2	0.4	-	6.6
Disposals	(1,779.3)	(11.3)	-	-	-	-	(48.5)	(10.8)	(7.5)	(1,857.4)
Exchange differences	(28.0)	(0.1)	-	-	-	(0.8)	(1.0)	(0.1)	-	(30.0)
At 31 March 2023	22,613.7	614.1	281.7	15.7	135.4	635.4	729.2	369.5	8,816.5	34,211.2
Accumulated depreciation and impairment losses										
At 1 April 2021	6,454.4	360.9	196.9	-	130.3	531.6	558.7	305.5	388.2	8,926.5
Depreciation	1,343.1	17.0	19.4	-	2.9	9.8	53.2	18.7	-	1,464.1
Impairment losses	38.0	-	-	-	-	-	1.0	-	-	39.0
Transfers	(1.5)	-	1.5	-	-	-	1.1	(1.1)	-	-
Transfer to assets held for sale	(231.6)	-	(46.7)	-	-	-	-	-	-	(278.3)
Disposals	(597.7)	(11.0)	-	-	-	-	(8.0)	(5.6)	-	(622.3)
Write-off	(2.6)	-	-	-	-	-	-	-	-	(2.6)
Exchange differences	-	-	-	-	-	0.1	0.1	-	-	0.2
At 31 March 2022	7,002.1	366.9	171.1	-	133.2	541.5	606.1	317.5	388.2	9,526.6
Depreciation	1,370.8	21.0	18.8	-	2.0	9.9	49.5	18.8	-	1,490.8
Transfers	16.1	-	(16.1)	-	-	-	-	-	-	-
Acquisition of a subsidiary company	-	-	-	-	-	-	5.8	0.3	-	6.1
Disposals	(579.9)	(4.8)	-	-	-	-	(48.5)	(10.3)	-	(643.5)
Exchange differences	-	(0.1)	-	-	-	(0.3)	(0.8)	(0.1)	-	(1.3)
At 31 March 2023	7,809.1	383.0	173.8	-	135.2	551.1	612.1	326.2	388.2	10,378.7
Net book value										
At 31 March 2022	15,712.8	194.8	121.7	15.7	2.2	93.7	157.3	49.1	8,223.3	24,570.6
At 31 March 2023	14,804.6	231.1	107.9	15.7	0.2	84.3	117.1	43.3	8,428.3	23,832.5

21 Property, Plant and Equipment (in $ million) (continued)

The Company

	Aircraft	Aircraft spares	Aircraft spare engines	Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
Cost										
At 1 April 2021	18,809.2	421.1	110.6	15.7	135.4	330.1	425.3	268.0	5,300.0	25,815.4
Additions	80.7	9.3	-	-	-	-	2.4	10.0	3,267.0	3,369.4
Transfers	1,318.0	-	2.2	-	-	-	-	0.3	(1,320.5)	-
Transfer to assets held for sale	(32.2)	-	-	-	-	-	-	-	-	(32.2)
Effects of integration of SilkAir	393.1	14.2	56.7	-	-	-	1.8	1.4	63.2	530.4
Disposals	(1,427.2)	(2.3)	-	-	-	-	(1.6)	(5.1)	-	(1,436.2)
Exchange differences	8.8	-	-	-	-	-	-	-	-	8.8
At 31 March 2022	19,150.4	442.3	169.5	15.7	135.4	330.1	427.9	274.6	7,309.7	28,255.6
Additions	193.7	23.2	13.5	-	-	-	4.0	2.9	1,859.6	2,096.9
Transfers	1,421.5	-	(24.6)	-	-	-	-	3.2	(1,400.1)	-
Disposals	(733.0)	(11.2)	-	-	-	-	(46.0)	(9.3)	-	(799.5)
Exchange differences	(24.6)	-	-	-	-	-	-	-	-	(24.6)
At 31 March 2023	20,008.0	454.3	158.4	15.7	135.4	330.1	385.9	271.4	7,769.2	29,528.4
Accumulated depreciation and impairment losses										
At 1 April 2021	5,110.7	259.7	64.0	-	130.3	321.4	263.8	229.2	388.2	6,767.3
Depreciation	1,172.1	11.8	15.4	-	2.9	1.8	38.2	12.4	-	1,254.6
Impairment losses	38.0	-	-	-	-	-	1.0	-	-	39.0
Transfers	(1.5)	-	1.5	-	-	-	-	-	-	-
Transfer to assets held for sale	(14.9)	-	-	-	-	-	-	-	-	(14.9)
Effects of integration of SilkAir	63.4	4.1	15.2	-	-	-	1.6	1.4	-	85.7
Disposals	(511.6)	(1.0)	-	-	-	-	(1.5)	(4.7)	-	(518.8)
At 31 March 2022	5,856.2	274.6	96.1	-	133.2	323.2	303.1	238.3	388.2	7,612.9
Depreciation	1,219.3	14.6	14.5	-	2.0	1.5	37.5	12.4	-	1,301.8
Transfers	16.1	-	(16.1)	-	-	-	-	-	-	-
Disposals	(361.1)	(4.7)	-	-	-	-	(46.1)	(8.8)	-	(420.7)
At 31 March 2023	6,730.5	284.5	94.5	-	135.2	324.7	294.5	241.9	388.2	8,494.0
Net book value										
At 31 March 2022	13,294.2	167.7	73.4	15.7	2.2	6.9	124.8	36.3	6,921.5	20,642.7
At 31 March 2023	13,277.5	169.8	63.9	15.7	0.2	5.4	91.4	29.5	7,381.0	21,034.4

21 Property, Plant and Equipment (in $ million) (continued)

Assets held as security

The Company's aircraft with carrying amount of $4,907.4 million (2022: $5,219.5 million) are pledged as security to the banks.

Scoot Pte. Ltd.'s aircraft with carrying amount of $383.4 million (2022: $408.0 million) are pledged as security to the banks.

Write-back of impairment/Impairment of aircraft

During the financial year, a write-back of $57.2 million was recorded on previously impaired aircraft and aircraft related assets with updates in previous estimates and developments in circumstances.

During the previous financial year, pursuant to a review of the Group's network and fleet requirements based on the latest expected recovery profile, impairment charges of $57.2 million on two leased 737-800NGs identified as surplus to requirements (refer to note 22) and further write-down to three previously impaired 777-300ERs due to changes in trade-in plans were recorded. There was a further impairment of $11.6 million of two held-for-sale 777-200 aircraft due to changes in market values. In addition, a write-back of $18.3 million was recorded on previously impaired aircraft with updates in estimated provisions required.

Write-back of impairment/Impairment of base maintenance assets

During the financial year, the Group recognised a write-back of impairment of base maintenance assets of $1.7 million that were classified as "assets held for sale", following sale confirmation from a third-party bidder. The committed sale is expected to occur in tranches and be fully realised in the next financial year.

During the previous financial year, the Group recognised an impairment loss on base maintenance assets of $8.4 million after experiencing increasing difficulty in selling certain aircraft rotable spares due to a surplus in the supply of such spares in the market.

Assets held for sale

Following the review of the Group's fleet plan and cessation of certain inventory management contracts, certain aircraft and aircraft spares were classified as held for sale as the Group had decided to sell the aircraft and aircraft spares. The sale of the aircraft and spares is expected to be completed within the next financial year.

	The Group	The Company
Balance as at 1 April 2021	98.6	25.2
Reclassification from property, plant and equipment	139.5	17.3
Effects of integration of SilkAir	-	154.3
Impairment losses	(20.0)	(11.6)
Disposal during the year	(184.5)	(184.3)
Exchange differences	3.5	3.5
Balance as at 31 March 2022	37.1	4.4
Write-back of impairment losses	1.7	-
Disposal during the year	(13.0)	(4.3)
Exchange differences	0.1	-
Balance as at 31 March 2023	25.9	0.1

21 Property, Plant and Equipment (in $ million) (continued)

Impairment test

Management's annual impairment assessment covers the following CGUs:

FSC CGU

In the previous financial year, when impairment indicators were present due to the impact from travel restrictions arising from the Covid-19 pandemic, the recoverable amount of the FSC CGU was determined based on value-in-use calculations using cash flow projections from financial forecasts approved by Management covering a five-year period. The financial forecasts which were approved include Management's planned recovery from Covid-19 related global travel restrictions and border controls. The pre-tax discount rate applied to cash flow projections was 7.0% and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period was 4.0%.

In the current financial year, with the strong operating performance and positive developments in its business environment after Singapore fully reopened its borders in April 2022, and as restrictions on international air travel eased globally, Management did not identify any impairment indicators for the FSC CGU for FY2022/23.

LCC CGU

Despite the strong operating performance and positive developments in its business environment, Management has identified impairment indicators for the LCC CGU for FY2022/23. As the value-in-use of the LCC CGU mainly comes from the terminal year, with which a higher level of estimation uncertainty still exists and the increasing interest rate environment is expected to impact the discount rate used, the value-in-use assessment has been performed.

The carrying value of aircraft and related assets of the LCC CGU amounted to $1,705.9 million as at 31 March 2023. The recoverable amount of the LCC CGU has been determined based on value-in-use calculations using cash flow projections from financial forecasts approved by Management covering a five-year period (2022: five-year period). The financial forecasts which were approved included Management's planned recovery from Covid-19 related global travel restrictions and border controls. The pre-tax discount rate applied to cash flow projections is 8.0% (2022: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period (2022: five-year period) is 5.0% (2022: 5.0%).

Sensitivity Analysis

The calculations of value-in-use for the FSC and LCC CGUs are most sensitive to the following assumptions:

Yield and load factor – The forecast yield and load factor are set with regards to the CGU's historical performance, operation plans and expected economic and market conditions. The forecast yield does not exceed historical yield achieved.

Growth rate – The forecast long-term growth rate is based on published industry research and does not exceed the long-term average growth rate for the industry.

Discount rate – The discount rate used reflects the current market assessments of the time value of money and risks specific to the CGU.

The impairment assessment is sensitive to changes to these assumptions and any significant adverse movements in these assumptions could impact the results of the impairment test.

22 Right-of-Use Assets (in $ million)

The Group

	Aircraft	Aircraft spare engines	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Total
At 1 April 2021	1,985.1	274.1	134.5	1.9	0.1	2,395.7
Additions	1,319.8	-	47.8	0.5	1.0	1,369.1
Reassessment and modifications	(0.4)	-	7.3	0.1	-	7.0
Depreciation	(381.8)	(27.9)	(52.6)	(1.0)	(0.2)	(463.5)
Impairment	(18.2)	-	-	-	-	(18.2)
At 31 March 2022	2,904.5	246.2	137.0	1.5	0.9	3,290.1
Additions	977.3	-	98.2	0.9	-	1,076.4
Reassessment and modifications	(0.8)	-	2.9	-	-	2.1
Depreciation	(431.0)	(27.5)	(54.2)	(1.1)	(0.3)	(514.1)
At 31 March 2023	3,450.0	218.7	183.9	1.3	0.6	3,854.5

The Company

	Aircraft	Aircraft spare engines	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Total
At 1 April 2021	1,621.8	274.0	87.5	0.4	-	1,983.7
Additions	780.0	-	23.9	0.4	1.0	805.3
Reassessment and modifications	(0.1)	-	7.8	0.1	-	7.8
Effects of integration of SilkAir	23.6	-	0.9	-	-	24.5
Depreciation	(277.7)	(27.8)	(38.7)	(0.3)	(0.1)	(344.6)
Impairment	(18.2)	-	-	-	-	(18.2)
At 31 March 2022	2,129.4	246.2	81.4	0.6	0.9	2,458.5
Additions	264.5	-	21.5	0.3	-	286.3
Reassessment and modifications	(0.2)	-	3.5	-	-	3.3
Depreciation	(267.6)	(27.5)	(38.9)	(0.4)	(0.2)	(334.6)
At 31 March 2023	2,126.1	218.7	67.5	0.5	0.7	2,413.5

22 Right-of-Use Assets (in $ million) (continued)

Impairment testing of ROU assets

During the previous financial year, the Group recognised an impairment loss of $18.2 million on its leased aircraft which are considered surplus to operations.

Please refer to note 21 for more details and the impairment assessment of the ROU assets as part of the FSC and LCC CGUs.

Effects of integration of SilkAir

During the previous financial year, SilkAir novated certain aircraft and property leases to the Company, as part of the integration. The lease liabilities related to these novated leases amounted to $29.3 million.

23 Intangible Assets (in $ million)

The Group

	Goodwill	Brand	Trademarks	Computer software and others	Deferred engine development cost	Advance and progress payments	Total
Cost							
At 1 April 2021	184.4	75.9	25.0	807.6	45.4	34.1	1,172.4
Additions	-	-	-	4.3	-	70.1	74.4
Disposals	-	(75.9)	-	(2.0)	(0.6)	-	(78.5)
Transfers	-	-	-	54.6	-	(54.6)	-
Exchange differences	-	-	-	-	0.3	-	0.3
At 31 March 2022	184.4	-	25.0	864.5	45.1	49.6	1,168.6
Additions	-	-	-	2.9	-	79.3	82.2
Disposals	-	-	-	(1.3)	-	-	(1.3)
Transfers	-	-	-	64.8	-	(64.8)	-
Acquisition of a subsidiary company	1.6	-	-	-	-	0.4	2.0
Exchange differences	-	-	-	(0.1)	(0.5)	-	(0.6)
At 31 March 2023	186.0	-	25.0	930.8	44.6	64.5	1,250.9
Accumulated amortisation and impairment losses							
At 1 April 2021	170.4	75.9	25.0	576.7	23.3	-	871.3
Amortisation	-	-	-	70.5	1.5	-	72.0
Disposals	-	(75.9)	-	(2.0)	(0.1)	-	(78.0)
Exchange differences	-	-	-	-	0.1	-	0.1
At 31 March 2022	170.4	-	25.0	645.2	24.8	-	865.4
Amortisation	-	-	-	74.1	1.5	-	75.6
Disposals	-	-	-	(1.3)	-	-	(1.3)
Impairment losses	14.0	-	-	-	-	-	14.0
Exchange differences	-	-	-	-	(0.3)	-	(0.3)
At 31 March 2023	184.4	-	25.0	718.0	26.0	-	953.4
Net book value							
At 31 March 2022	14.0	-	-	219.3	20.3	49.6	303.2
At 31 March 2023	1.6	-	-	212.8	18.6	64.5	297.5

23 Intangible Assets (in $ million) (continued)

The Company

	Computer software and others	Advance and progress payments	Total
Cost			
At 1 April 2021	687.5	27.0	714.5
Additions	-	60.8	60.8
Transfers	46.6	(46.6)	-
At 31 March 2022	734.1	41.2	775.3
Additions	-	64.9	64.9
Transfers	54.4	(54.4)	-
Disposals	(0.3)	-	(0.3)
At 31 March 2023	788.2	51.7	839.9
Accumulated amortisation			
At 1 April 2021	485.4	-	485.4
Amortisation	58.9	-	58.9
At 31 March 2022	544.3	-	544.3
Amortisation	60.5	-	60.5
Disposals	(0.3)	-	(0.3)
At 31 March 2023	604.5	-	604.5
Net book value			
At 31 March 2022	189.8	41.2	231.0
At 31 March 2023	183.7	51.7	235.4

Impairment of goodwill

During the financial year, the Group recorded an impairment loss of $14.0 million on goodwill. In FY2018/19, the Company, through its subsidiary company, KrisShop, entered into a business transfer agreement with DFASS SATS Pte. Ltd. to acquire the business of providing services and merchandise to the Group and $14.0 million of goodwill was recognised. Even though air travel has rebounded strongly, KrisShop's travel retail performance has not recovered to pre-Covid levels. KrisShop plans to recover and grow via a new business model, hence, the goodwill is impaired as there is inherent uncertainty in the long-term cash flow projections with the transition.

24 Subsidiary Companies (in $ million)

	The Company 31 March 2023	2022
Investment in subsidiary companies	3,465.2	3,449.0
Accumulated impairment losses	(52.7)	(52.7)
Effects of integration of SIA Cargo	(1,405.0)	(1,405.0)
	2,007.5	1,991.3
Long-term loans to subsidiary companies	3,587.2	3,568.2
Accumulated impairment loss	(12.7)	(19.9)
	5,582.0	5,539.6

During the financial year:

1. Budget Aviation Holdings Pte. Ltd. ("BAH") transferred its investment in Tiger Airways Holdings Pte. Ltd. ("TAH") to the Company for $744.2 million. Subsequently, BAH reduced its share capital and returned $755.0 million to the Company. There is no change to the Group's shareholdings in TAH and BAH.

2. SIAEC acquired 75% of the shares and voting interests in Asia Pacific Aircraft Component Services Sdn. Bhd. ("APACS"). The Group holds 58.1% effective shareholdings in APACS.

3. SIAEC invested approximately $0.6 million in SIA Engineering Japan Corporation.

4. The Company injected approximately $27.0 million in Encounters Pte. Ltd.

5. Tradewinds Tours & Travel Private Limited ceased operations.

24 Subsidiary Companies (in $ million) (continued)

(a) Composition of the Group

The subsidiary companies are:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 31 March 2023	2022
SIA Engineering Company Limited(1) and its subsidiaries	Engineering services	Singapore	77.5	77.5
NexGen Network (1) Holding Pte. Ltd.(5)	Investment holding	Singapore	77.5	77.5
NexGen Network (2) Holding Pte. Ltd.(1)	Investment holding	Singapore	77.5	77.5
SIAEC Global Private Limited(1)	Investment holding	Singapore	77.5	77.5
SIA Engineering (USA), Inc.(4)	Provide aircraft maintenance services, including technical and non-technical handling at the airport	United States of America	77.5	77.5
SIA Engineering Japan Corporation(4)	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Japan	77.5	77.5
Singapore Aero Support Services Pte. Ltd.(1)	Maintenance, repair and overhaul of aircraft and cabin components/systems	Singapore	77.5	77.5
Heavy Maintenance Singapore Services Pte. Ltd.(1)	Provide airframe maintenance component overhaul services	Singapore	77.5	77.5
SIA Engineering (Philippines) Corporation(2)	Provide airframe maintenance component overhaul services	Philippines	77.5	77.5
Asia Pacific Aircraft Component Services Sdn. Bhd. (Previously known as SR Technics Malaysia Sdn. Bhd.)(1)	Provide airframe maintenance component overhaul services	Malaysia	58.1	-
Additive Flight Solutions Pte. Ltd.(1)*	Additive manufacturing of aircraft cabin parts and tooling for the aerospace industry	Singapore	46.5	46.5
Aerospace Component Engineering Services Pte. Limited(1)*	Repair and overhaul of hydro-mechanical equipment for Boeing and Airbus aircraft	Singapore	39.5	39.5
Tiger Airways Holdings Pte. Ltd.(1) and its subsidiaries	Investment holding	Singapore	100.0	100.0
Scoot Pte. Ltd.(1)	Air transportation	Singapore	100.0	100.0
Roar Aviation Pte. Ltd.(1)	Investment holding	Singapore	100.0	100.0
Cargo Community Network Pte Ltd(1) and its subsidiary	Providing and marketing of cargo community system	Singapore	51.0	51.0
Cargo Community (Shanghai) Co. Ltd.(3)+	Marketing and support of portal services for the air cargo industry	People's Republic of China	51.0	51.0

24 Subsidiary Companies (in $ million) (continued)

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 31 March 2023	2022
Budget Aviation Holdings Pte. Ltd.(1)	Investment holding	Singapore	100.0	100.0
Encounters Pte. Ltd.(1)	Travel booking and related services through an online portal	Singapore	100.0	100.0
Kris+ Pte. Ltd.(1)	Marketing, payment and related services	Singapore	100.0	100.0
SilkAir (Singapore) Private Limited(1)	Inactive	Singapore	100.0	100.0
Singapore Airlines Cargo Pte Ltd(1)	Inactive	Singapore	100.0	100.0
Singapore Aviation and General Insurance Company (Pte) Limited(1)	Aviation insurance	Singapore	100.0	100.0
Singapore Flying College Pte Ltd(1)	Training of pilots	Singapore	100.0	100.0
Sing-Bi Funds Private Limited(1)	Investment holding	Singapore	100.0	100.0
Tradewinds Tours & Travel Private Limited(1)	Tour wholesaling	Singapore	100.0	100.0
KrisShop Pte. Ltd.(1)	Travel-related retail operations	Singapore	70.0	70.0

(1) *Audited by KPMG LLP, Singapore*
(2) *Audited by member firms of KPMG International in the respective countries*
(3) *Audited by Shanghai HDDY Certified Public Accountants Co., Ltd*
(4) *Not required to be audited under the law in country of incorporation*
(5) *Not required to be audited by KPMG LLP, Singapore in current year*
* *The company is considered a subsidiary of the Group by virtue of the management control over financial and operating policies of the company*
\+ *Financial year end 31 December*

Special purpose entities ("SPEs")

Details of the operating SPEs controlled and consolidated by the Group at the end of financial year are as follows:

Name of entity	Purpose of special purpose entity	Country of incorporation
Winnie Aircraft Limited	Financing of aircraft	Mauritius
Falcon Aircraft Limited	Financing of aircraft	Mauritius

The SPEs are held by Tiger Airways Holdings Pte. Ltd. and are audited by Ernst & Young LLP, Mauritius.

Although the Group does not hold shares in these companies, they are considered subsidiary companies as the activities of the SPEs are being conducted on behalf of the Group according to its specific business needs and the Group retains the majority of the residual or ownership risks related to the assets held by these SPEs. These SPEs were incorporated for the sole purpose of financing of the Group's aircraft.

24 Subsidiary Companies (in $ million) (continued)

(b) Interest in subsidiary company with material non-controlling interests ("NCI")

The Group has the following subsidiary company that has NCI that are material to the Group:

	SIA Engineering Company Group of Companies 31 March	
	2023	2022
Proportion of ownership interest held by NCI	22.5%	22.5%
Profit allocated to NCI during the reporting period	15.1	15.4
Accumulated NCI at the end of reporting period	384.8	373.0
Dividends paid to NCI	1.1	0.4

(c) Summarised financial information about subsidiary company with material NCI

Summarised financial information before intercompany eliminations of the subsidiary company with material non-controlling interests are as follows:

Summarised statement of financial position

	SIA Engineering Company Group of Companies 31 March	
	2023	2022
Current		
Assets	952.2	912.8
Liabilities	(215.5)	(177.8)
Net current assets	736.7	735.0
Non-current		
Assets	1,031.1	925.4
Liabilities	(91.1)	(39.0)
Net non-current assets	940.0	886.4
Net assets	1,676.7	1,621.4

Summarised statement of comprehensive income

	SIA Engineering Company Group of Companies	
	FY2022/23	FY2021/22
Revenue	796.0	566.1
Profit before tax	65.5	49.2
Taxation	1.0	18.6
Profit after tax	66.5	67.8
Other comprehensive income	(10.7)	6.5
Total comprehensive income	55.8	74.3

Other summarised information

	SIA Engineering Company Group of Companies	
	FY2022/23	FY2021/22
Net cash flow from operations	64.6	29.2
Acquisition of significant property, plant and equipment	(48.6)	(18.4)

24 Subsidiary Companies (in $ million) (continued)

(d) Acquisition of a subsidiary company - APACS

FY2022/23

On 31 May 2022, SIAEC acquired 75% of the shares and voting interests in APACS. As a result, APACS became a subsidiary company of the Group.

Goodwill

Goodwill arising from the acquisition, attributable to the capabilities, future growth opportunities as well as the potential synergies expected to arise from the acquisition, has been recognised as follows:

	As at date of acquisition
Total consideration transferred	5.1
Non-controlling interests	1.2
Fair value of identifiable net assets	(4.7)
Goodwill	1.6

25 Associated Companies (in $ million)

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Investment in associated companies	767.0	817.5	981.2	926.4
Accumulated impairment losses	(9.7)	(11.7)	(441.2)	(441.2)
	757.3	805.8	540.0	485.2

During the financial year:

1. The Company injected $54.8 million in TATA SIA Airlines Limited ("TATA-SIA"). There was no change in the Group's 49% equity stake in TATA-SIA after the capital injection.

2. Ritz-Carlton, Millenia Singapore Properties Private Limited recorded a revaluation gain of $36.7 million from its annual revaluation exercise of its land and building. The Group’s share of the revaluation gain of $7.4 million as at 31 March 2023 is included under the share of post-acquisition capital reserve.

3. Boeing Asia Pacific Aviation Services Pte. Ltd (“BAPAS”) ceased operations amidst challenges arising from the changing business environment. Management has reassessed the recoverable amount of BAPAS based on its available cash balance for distribution to shareholders upon closure. Accordingly, SIAEC wrote back impairment losses of $2.0 million.

4. The Company, Tata SIA Airlines Limited (“Vistara”), Tata Sons Private Limited and Air India Limited entered into an implementation agreement dated 29 November 2022 in connection with the proposed merger of Vistara and Air India.

   The proposed merger is subject to and conditional upon the satisfaction and/or waiver of various conditions precedent, including, inter alia, anti-trust and merger control approvals in India, Singapore and other relevant jurisdictions, the approval of the Indian civil aviation authority, as well as other governmental and regulatory approvals. On completion of the proposed merger, the Company will hold approximately 25.1% of the enlarged Air India . The Company’s consideration for its 25.1% stake of the enlarged Air India comprises its 49% interest in Vistara and an amount in cash of US$250m. The terms and conditions of the implementation agreement were disclosed in the Company’s announcement to the Singapore Stock Exchange dated 29 November 2022.

25 Associated Companies (in $ million) (continued)

The associated companies are:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 31 March 2023	2022
Held by the Company				
TATA SIA Airlines Limited(4)	Domestic and international full service scheduled passenger airlines services	India	49.0	49.0
Airbus Asia Training Centre Pte. Ltd. (5)(b)	Flight training services	Singapore	45.0	45.0
Ritz-Calton, Millenia Singapore Properties Private Limited(5)(b)	Hotel ownership and management	Singapore	20.0	20.0
Held by SIAEC				
Boeing Asia Pacific Aviation Services Pte. Ltd.(13)(b)	Provide engineering, material management and fleet support solutions	Singapore	38.0	38.0
Eagle Services Asia Private Limited(2)(b)	Repair and overhaul of aircraft engines	Singapore	38.0	38.0
Fuel Accessory Service Technologies Pte Ltd(2)(a)	Repair and overhaul of engine fuel components and accessories	Singapore	38.0	38.0
GE Aviation, Overhaul Services – Singapore Pte. Ltd(12)(b)	Repair and servicing of aircraft and spacecraft (including aircraft engines and other parts)	Singapore	38.0	38.0
Moog Aircraft Services Asia Pte. Ltd.(5)	Repair and overhaul services for flight control systems	Singapore	38.0	38.0
PT JAS Aero-Engineering Services(8)(b)	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Indonesia	38.0	38.0
Southern Airports Aircraft Maintenance Services Company Limited(4)(b)	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Vietnam	38.0	38.0
Component Aerospace Singapore Pte. Ltd.(2)(a)	Repair and overhaul of aircraft engine combustion chambers, guides, fuel nozzles and related parts	Singapore	36.0	36.0
JAMCO Aero Design & Engineering Private Limited(11)	Providing turnkey solutions for aircraft interior modifications	Singapore	34.9	34.9
Panasonic Avionic Services Singapore Pte. Ltd.(1)	Provide line maintenance and repair services of in-flight entertainment systems	Singapore	32.9	32.9
Goodrich Aerostructures Service Centre-Asia Pte. Ltd.(2)(b)	Repair and overhaul of aircraft nacelles, thrust reserves and pylons	Singapore	31.0	31.0
Pan Asia Pacific Aviation Services Limited(7)	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Hong Kong	31.0	31.0

25 Associated Companies (in $ million) (continued)

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 31 March 2023	2022
Safran Electronics & Defense Services Asia Pte. Ltd.(9)(b)	Provide avionics maintenance, repair and overhaul services	Singapore	31.0	31.0
Safran Landing Systems Services Singapore Pte. Ltd.(9)(b)	Repair and overhaul of Boeing and Airbus series landing gears	Singapore	31.0	31.0
Turbine Coating Services Pte Ltd(2)(a)*	Repair and overhaul of aircraft engine turbine airfoils	Singapore	19.0	19.0
Held by Scoot				
Value Alliance Travel System Pte. Ltd.(10)(b)**	Provision of support services to air transportation	Singapore	13.0	13.0

(1) *Audited by KPMG LLP, Singapore*
(2) *Audited by PricewaterhouseCoopers LLP, Singapore*
(3) *Audited by Deloitte & Touche, Singapore*
(4) *Audited by member firms of Deloitte & Touche*
(5) *Audited by Ernst & Young LLP, Singapore*
(6) *Audited by RSM Chio Lim, Singapore*
(7) *Audited by BDO Limited, Hong Kong*
(8) *Audited by Ernst & Young LLP, Indonesia*
(9) *Audited by Mazars LLP, Singapore*
(10) *Audited by Wong, Lee & Associates LLP*
(11) *Audited by Grant Thornton LLP, Singapore*
(12) *Not required to be audited*
(13) *Not required to be audited by Deloitte & Touche, Singapore in current financial year in view of ceased operations*
(a) *Financial year end 30 November*
(b) *Financial year end 31 December*
* *The Group has significant influence in these entities through its holdings in SIAEC*
** *The Group has significant influence by virtue of the board representation*

The carrying amounts of the investment in associated companies are as follows:

	The Group 31 March 2023	2022
TATA-SIA	39.8	109.6
Eagle Services Asia Private Limited ("ESA")	265.5	253.5
Other associated companies	452.0	442.7
	757.3	805.8

The activities of the associated companies are strategic to the Group's activities.

25 Associated Companies (in $ million) (continued)

The Group has two (2022: two) associated companies that are material and a number of associated companies that are individually immaterial to the Group. The following summarises the financial information of each of the Group's material associated companies based on their respective (consolidated) financial statements prepared in accordance with IFRS.

Summarised statement of financial position

	TATA-SIA		ESA	
	31 March		31 March	
	2023	2022	2023	2022
Current assets	713.0	363.0	912.1	703.4
Non-current assets	2,914.7	2,401.9	119.7	135.0
Total assets	3,627.7	2,764.9	1,031.8	838.4
Current liabilities	(816.4)	(595.1)	(474.9)	(303.0)
Non-current liabilities	(2,730.0)	(1,946.2)	(15.1)	(18.0)
Total liabilities	(3,546.4)	(2,541.3)	(490.0)	(321.0)
Net assets	81.3	223.6	541.8	517.4
Share of net assets	39.8	109.6	265.5	253.5

Summarised statement of comprehensive income

	TATA-SIA		ESA	
	FY2022/23	FY2021/22	FY2022/23	FY2021/22
(Loss)/Profit after tax	(248.9)	(363.7)	34.5	56.6
Other comprehensive income	(2.6)	-	-	-
Total comprehensive income	(251.5)	(363.7)	34.5	56.6

No dividends (FY2021/22: nil) were received from TATA-SIA and ESA during the financial year.

Aggregate information about the Group's share of the results of the associated companies that are not individually material is as follows:

Summarised statement of comprehensive income

	Immaterial associates	
	FY2022/23	FY2021/22
Profit after tax	42.1	4.6
Other comprehensive income	6.0	1.2
Total comprehensive income	48.1	5.8

26 Joint Venture Companies (in $ million)

	The Group 31 March 2023	The Group 31 March 2022	The Company 31 March 2023	The Company 31 March 2022
Investment in joint venture companies	265.0	233.4	32.3	32.3

The joint venture companies are:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 31 March 2023	Percentage of equity held by the Group 31 March 2022
Held by SIAEC				
Singapore Aero Engine Services Pte Ltd [(1)]	Repair and overhaul of aircraft engines	Singapore	38.8	38.8
Held by Scoot				
NokScoot Airlines Co., Ltd. [(2)]	Air transportation	Thailand	49.0	49.0
Held by the Company				
Singapore CAE Flight Training Pte. Ltd. [(3)]	Flight training services	Singapore	50.0	50.0

(1) *Audited by KPMG LLP, Singapore, and financial year end of 31 December.*
(2) *Audited by Deloitte & Touche Tohmatsu Jaiyos Audit Co. Ltd, Thailand, and financial year end of 31 December. Entered into liquidation on 26 June 2020.*
(3) *Audited by PricewaterhouseCoopers LLP, Singapore, and financial year end of 31 March.*

26 Joint Venture Companies (in $ million) (continued)

The Group jointly controls all the joint venture companies with other partners under contractual agreements that require unanimous consent for all major decisions over the relevant activities; they are all equity accounted.

The carrying amounts of the investments are as follows:

	The Group 31 March 2023	The Group 31 March 2022
Singapore Aero Engine Services Pte Ltd ("SAESL")	232.6	202.8
Other joint venture companies	32.4	30.6
	265.0	233.4

The activities of SAESL are strategic to the Group's activities.

No dividends (FY2021/22: nil) were received from SAESL during the financial year.

Summarised financial information in respect of SAESL, which is material to the Group, is as follows:

Summarised statement of financial position

	SAESL 31 March 2023	SAESL 31 March 2022
Cash and short-term deposits	314.7	94.6
Other current assets	1,648.9	1,160.2
Total current assets	1,963.6	1,254.8
Non-current assets	238.4	265.8
Total assets	2,202.0	1,520.6
Current liabilities	(1,736.9)	(1,025.2)
Non-current liabilities	-	(89.9)
Total liabilities	(1,736.9)	(1,115.1)
Net assets	465.1	405.5

26 Joint Venture Companies (in $ million) (continued)

Summarised statement of comprehensive income

	SAESL	
	FY2022/23	FY2021/22
Revenue	3,742.7	2,708.4
Depreciation and amortisation	(35.9)	(37.0)
Interest income	4.5	0.1
Interest expense	(5.2)	(5.3)
Profit before tax	64.4	57.8
Taxation	(5.9)	1.0
Profit after tax	58.5	58.8
Other comprehensive income	10.0	3.9
Total comprehensive income	68.5	62.7

The summarised financial information presented is extracted from the financial statements of SAESL prepared in accordance with IFRS.

Aggregate information about the Group's investment in the other joint venture companies that are not individually material is as follows:

The Group's share of the assets and liabilities comprises:

	The Group 31 March	
	2023	2022
Current assets	6.9	5.6
Non-current assets	43.9	40.1
Total assets	50.8	45.7
Current liabilities	(3.1)	(1.4)
Non-current liabilities	(15.3)	(13.7)
Total liabilities	(18.4)	(15.1)
Net assets	32.4	30.6

The Group's share of the results is as follows:

	The Group	
	FY2022/23	FY2021/22
Profit after tax	2.5	0.4
Other comprehensive income	(0.7)	0.2
Total comprehensive income	1.8	0.6

27 Long-Term Investments (in $ million)

	The Group 31 March 2023	The Group 31 March 2022	The Company 31 March 2023	The Company 31 March 2022
Quoted				
Non-equity investments	0.5	0.4	0.5	0.4
Unquoted				
Equity investments	38.9	42.2	36.2	39.5
	39.4	42.6	36.7	39.9

The Group's non-equity investments comprised investments in corporate bonds.

The interest rate for quoted non-equity investments is 3.22% (FY2021/22: 3.22%) per annum.

28 Other Long-Term Assets (in $ million)

	The Group 31 March 2023	The Group 31 March 2022	The Company 31 March 2023	The Company 31 March 2022
Deposits	78.3	112.4	-	-
Prepayment	-	3.9	-	-
Other receivables	142.8	83.6	142.8	79.8
Derivative assets (refer to note 41)	534.6	1,537.3	531.4	1,536.0
	755.7	1,737.2	674.2	1,615.8

The Group's other receivables are stated at amortised cost and are expected to be received over a period of two to three years (2022: two to four years).

29 Inventories (in $ million)

	The Group 31 March 2023	The Group 31 March 2022	The Company 31 March 2023	The Company 31 March 2022
Technical stocks and stores	164.0	150.4	126.2	122.8
Catering and general stocks	63.0	37.0	45.7	19.2
Total inventories at lower of cost and net realisable value	227.0	187.4	171.9	142.0

The cost of inventories recognised as an expense amounted to $73.5 million (FY2021/22: $101.1 million).

30 Trade Debtors (in $ million)

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Trade debtors	1,125.7	1,524.7	1,028.4	1,407.1
Contract assets	64.2	35.3	-	-
Amounts owing by:				
- associated companies	1.0	5.2	-	0.1
- joint venture companies	1.8	1.2	-	-
	1,192.7	1,566.4	1,028.4	1,407.2
Amounts owing by:				
- subsidiary companies	-	-	0.1	0.2
	1,192.7	1,566.4	1,028.5	1,407.4

Trade debtors are non-interest bearing. The carrying amount of trade debtors impaired by credit losses is reduced through the use of an allowance account unless the Group writes off the amount ascertained to be uncollectible. In subsequent periods when a trade debtor is ascertained to be uncollectible, it is written off against the allowance account.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days ageing of debtor balances) are considered indicators that the trade debtor is impaired. Individual trade debtor is written off when Management deems the amount not to be collectible.

Contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade debtors when the rights become unconditional. This usually occurs when the Group invoices the customers.

Amounts owing by subsidiary, associated and joint venture companies are unsecured, trade-related, non-interest bearing and repayable on demand. The amounts are stated at net of accumulated impairment losses.

30 Trade Debtors (in $ million) (continued)

The table below is an analysis of trade debtors as at 31 March:

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Not past due and not impaired	976.9	1,404.1	832.3	1,266.6
Past due but not impaired	197.1	152.1	177.5	130.6
	1,174.0	1,556.2	1,009.8	1,397.2
Impaired trade debtors - collectively assessed	26.4	21.9	24.6	17.6
Less: Accumulated impairment losses	(7.7)	(11.7)	(5.9)	(7.4)
	18.7	10.2	18.7	10.2
Impaired trade debtors - individually assessed				
Customers in bankruptcy or other financial reorganisation	1.2	4.0	0.1	0.1
Customers who default in payment within stipulated framework of IATA Clearing House or Bank Settlement Plan	1.2	1.0	1.2	1.0
Less: Accumulated impairment losses	(2.4)	(5.0)	(1.3)	(1.1)
	-	-	-	-
Impaired amounts owing by joint venture companies - individually assessed	74.4	75.7	74.4	75.8
Less: Accumulated impairment losses	(74.4)	(75.7)	(74.4)	(75.8)
	-	-	-	-
Total trade debtors, net	1,192.7	1,566.4	1,028.5	1,407.4

Included in trade and other debtors are amounts owing by related parties of $9.5 million (2022: $8.2 million) and $9.3 million (2022: $8.2 million) for the Group and Company respectively.

Trade debtors are stated after accumulated impairment losses. An analysis of the accumulated impairment losses is as follows:

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Balance at 1 April	92.4	93.3	84.3	79.7
(Written back)/Provided during the year for trade debtors	(6.1)	4.4	(2.7)	4.6
Written off during the year	(1.8)	(5.3)	-	-
Balance at 31 March	84.5	92.4	81.6	84.3
Bad debts written off directly to profit and loss account, net of debts recovered	1.0	0.3	0.2	0.2

As at 31 March 2023, the composition of trade debtors held in foreign currencies by the Group is as follows: USD – 25.6% (2022: 23.7%), AUD – 5.9% (2022: 7.5%), EUR – 6.0% (2022: 6.0%), GBP – 4.2% (2022: 5.2%) and JPY – 1.7% (2022: 1.0%).

31 Deposits and Other Debtors (in $ million)

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Deposits	22.5	18.1	8.7	8.5
Other debtors	261.5	184.4	217.8	155.5
	284.0	202.5	226.5	164.0

During the financial year, the Group recognised a write-back of impairment on other debtors amounting to $3.4 million (FY2021/22: impairment of $4.7 million) as non-operating item.

32 Investments (in $ million)

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Quoted				
Equity investments	1.7	2.1	-	-
Non-equity investments	402.2	404.3	351.7	352.5
	403.9	406.4	351.7	352.5

The Group's non-equity investments comprised investments in government securities, corporate bonds, money market funds and unit trusts. These investments are held to manage the Group's liquidity needs.

The interest rates for quoted non-equity investments range from 1.375% to 5.75% (FY2021/22: 0% to 4.125%) per annum.

33 Cash and Bank Balances (in $ million)

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Short-term deposits	12,400.0	11,259.3	12,320.1	11,240.8
Cash and bank balances	3,927.6	2,503.4	3,655.6	2,317.1
	16,327.6	13,762.7	15,975.7	13,557.9

As at 31 March 2023, the composition of cash and bank balances held in foreign currencies by the Group is as follows: USD – 42.4% (2022: 29.6%), EUR – 0.3% (2022: 1.4%), GBP – 0.3% (2022: 0.8%) and JPY – 0.1% (2022: 0.6%).

Cash at bank earns interest at floating rates based on daily bank deposit rates ranging from 3.65% to 5.65% (FY2021/22: 0.23% to 1.53%) per annum. Short-term deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The weighted average effective interest rate for short-term deposits is 4.68% (FY2021/22: 0.56%) per annum.

34 Trade and Other Creditors (in $ million)

	The Group 31 March 2023	The Group 31 March 2022	The Company 31 March 2023	The Company 31 March 2022
Trade creditors	3,932.3	2,408.8	2,952.2	1,774.7
Promissory notes	-	221.2	-	221.2
Accrued interest	66.2	72.5	64.2	70.4
Contract liabilities	21.5	12.7	-	-
Amounts owing to associated companies	4.3	3.2	3.1	1.8
Amounts owing to joint venture companies	15.5	14.9	1.4	0.8
	4,039.8	2,733.3	3,020.9	2,068.9
Funds from subsidiary companies	-	-	2,069.4	1,104.0
Amounts owing to subsidiary companies	-	-	939.9	525.8
	-	-	3,009.3	1,629.8

Trade and other creditors (other than promissory notes) are generally non-interest bearing. As at 31 March 2023, 31.7% (2022: 13.7%) of trade and other creditors were held in USD by the Group. Included in trade and other creditors are amounts owing to related parties of $375.5 million (2022: $247.6 million) and $304.2 million (2022: $227.4 million) for the Group and Company respectively.

The promissory notes, denominated in USD, bore interest of 1.75% (FY2021/22: 1.75%) per annum. The promissory notes matured during the financial year.

Funds from subsidiary companies are unsecured and have varying repayment terms. Interest on funds from subsidiary companies are computed using prevailing market rates which range from 1.00% to 4.65% (FY2021/22: 0.05% to 0.99%) per annum for SGD funds, and 4.59% to 5.60% (FY2021/22: 0.21% to 1.42%) per annum for USD funds.

As at 31 March 2023, 39.2% (2022: 9.8%) of the funds from subsidiary companies were denominated in USD.

Amounts owing to related parties, subsidiary, associated and joint venture companies are unsecured, trade-related, non-interest bearing and repayable on demand.

35 Sales in Advance of Carriage and Deferred Revenue (in $ million)

Sales in advance of carriage and deferred revenue are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in these liabilities during the year are as follows:

	The Group FY2022/23	The Group FY2021/22	The Company FY2022/23	The Company FY2021/22
Revenue recognised that was included in the balance at the beginning of the year				
- Sales in advance of carriage	2,107.8	568.1	1,997.0	504.4
- Deferred revenue	509.9	82.5	509.9	82.5
Movements due to cash received, excluding amounts recognised as revenue during the year				
- Sales in advance of carriage	4,631.4	2,107.8	4,275.6	1,997.0
- Deferred revenue	450.5	50.4	450.5	50.4

35 Sales in Advance of Carriage and Deferred Revenue (in $ million) (continued)

Deferred revenue relates to KrisFlyer miles expected to be redeemed. The Group expects the majority of these miles to be redeemed by the end of their validity dates, which have been extended due to the Covid-19 situation.

All tickets sold at any given point of time typically have travel dates extending up to 12 months. However, certain modifications have been made to extend the validity of some tickets due to the Covid-19 situation. As a result, the balance of the sales in advance of carriage liability represents activity that will typically be recognised in the next 12 months.

36 Analysis of Capital Expenditure Cash Flow (in $ million)

	The Group	
	FY2022/23	FY2021/22
Purchase of property, plant and equipment	1,994.8	3,637.1
Property, plant and equipment (acquired under)/settled by credit terms	(96.7)	107.7
Property, plant and equipment settled through financing from a third-party financier	(204.3)	(652.2)
Interest capitalised	(92.0)	(43.9)
Cash invested in capital expenditure	1,601.8	3,048.7

37 Capital Expenditure Commitments (in $ million)

The Group and the Company have commitments for capital expenditure. Such commitments aggregated $13,360.1 million (2022: $14,363.3 million) for the Group and $11,760.4 million (2022: $12,304.1 million) for the Company. The commitments relate principally to the acquisition of aircraft fleet and related equipment.

In addition, the Group's share of associated companies' and joint venture companies' commitments for capital expenditure totalled $401.0 million (2022: $568.2 million) and $5.5 million (2022: $11.4 million) respectively.

38 Leases (in $ million)

(a) As lessee

<u>Aircraft</u>

The Company leases three 777-300ERs, three A380-800s, seven A350-900s, four 787-10s, nine 737-800 NGs, six 737-8s and two 777F freighters at fixed rental rates. The leases of six 737-8s were entered into during the year through sale and leaseback arrangements, recording gross proceeds of $417.8 million. The lease of one A380-800 was terminated during the year. The original lease terms of these aircraft range from four to thirteen years.

For flexibility in fleet planning, most leases include extension options. The extension options provide for lease renewals up to a maximum of four years. In addition, leases for the A350-900s, 787-10s and 737-8s include early termination options that allow termination of the leases up to two years prior to original lease expiry. Sub-leasing is allowed under all the lease arrangements.

38 Leases (in $ million) (continued)

(a) As lessee (continued)

As of 31 March 2023, Tiger Airways Holdings ("TAH") Group has leased 22 A320-200s, two A320neos, nine A321neo and six B787 aircraft. The original lease terms on the aircraft are for 11 to 13 years. Certain aircraft leases confer on TAH an option to purchase the related aircraft. Sub-leasing is allowed under all the lease arrangements, subject to certain terms and conditions stated in the agreements. Certain aircraft leases allow for lease extension/termination options for a period of three to four months from original lease expiry. The leases of two A320neos and six B787 aircraft were entered into during the year through sale and leaseback arrangements, recording gross proceeds of $792.5 million.

Spare engines

The Company has lease agreements for six Trent 1000-J engines and six Trent TXWB-84 with fixed rental rates. The original lease terms for the T1000-J and Trent TXWB-84 engines are ten years with extension options of up to 36 months.

Property and equipment

The Group has entered into lease agreements for office and computer equipment, leasehold land and buildings. These non-cancellable leases have lease terms of between one and 60 years.

Extension/termination options

To the extent the future lease payments can be reliably estimated, the Group has determined that in relation to aircraft, should the extension options be exercised, it would result in an increase in lease liabilities of $458.4 million (2022: $268.6 million), while the exercise of the termination options would result in a decrease in lease liabilities of $226.2 million (2022: $19.6 million).

(b) As lessor

Finance lease

The Company sub-leased two 777F freighters to an external party. The sub-lease term for the aircraft is between four and five years.

BAH Group sub-leased two A320-200 aircraft to an external party. The sub-lease term for the aircraft is between eight and nine years.

Future minimum lease receivables under the finance leases are as follows:

	The Group 31 March 2023	2022
Within 1 year	47.2	9.1
1 - 2 years	39.3	3.8
2 - 3 years	31.2	-
Total undiscounted lease receivables	117.7	12.9
Unearned finance income	(7.0)	(0.4)
Net investment in the lease	110.7	12.5

39 Contingent Liabilities (in $ million)

(a) Cargo: Investigations by Competition Authorities and Civil Class Actions

In 2006 and thereafter, SIA Cargo and the Company were among several airlines that received notice of investigations by competition authorities in the United States, European Union, Australia, Canada, New Zealand, South Africa, South Korea and Switzerland as to whether surcharges, rates or other competitive aspects of air cargo service were lawfully determined (the "air cargo issues").

On 9 November 2010, the European Commission issued an adverse decision against 13 air cargo airlines, including SIA Cargo and the Company, in respect of fuel surcharges, security surcharges and commissions on surcharges. A fine of EUR74.8 million ($135.7 million) was imposed on SIA Cargo and the Company. SIA Cargo paid the fine in February 2011 in accordance with European Union laws. This amount was reflected as an exceptional item in the Group's accounts in FY2010/11. SIA Cargo and the Company filed an appeal to the European General Court seeking annulment of the decision. In December 2015, the European General Court annulled the decision of the European Commission in its entirety vis-à-vis SIA Cargo and the Company. In February 2016, EUR76.4 million ($119.1 million) comprising the fine amount and returns thereon was refunded to SIA Cargo. This refund was recognised as a non-operating item in the Group's FY2015/16 accounts. In March 2017, the European Commission re-adopted a decision in respect of the same case against the air cargo airlines, imposing a fine of EUR74.8 million ($111.8 million) against SIA Cargo and the Company. This amount was recognised as a non-operating item in the Group's accounts in FY2016/17. SIA Cargo and the Company have filed an appeal to the European General Court seeking annulment of the re-adopted decision. In March 2022, the European General Court has issued its decision, dismissing the appeal by SIA Cargo and the Company. In June 2022, SIA Cargo and the Company filed an appeal to the European Court of Justice against the decision of the European General Court.

In January 2014, the Swiss Competition Commission announced a fine against SIA Cargo and the Company of CHF1.7 million ($2.3 million) in respect of the air cargo issues. This amount was reflected as an exceptional item in the Group's accounts in FY2013/14. SIA Cargo and the Company have filed an appeal to the Swiss Federal Administrative Tribunal seeking annulment of the decision. In December 2022, the tribunal partially allowed the appeal, reducing the fine amount to CHF 1.4 million ($2.1 million). SIA and the Company filed an appeal to the Swiss Federal Supreme Court against the decision of the Swiss Federal Administrative Tribunal.

The proceedings by competition authorities in the United States, South Korea, South Africa, Australia and New Zealand were resolved in previous financial periods.

After the investigations commenced, civil damage lawsuits were filed in the United States, Canada, Australia, South Korea, England, the Netherlands, Norway and Germany by private parties against several airlines, including SIA Cargo and the Company. Other lawsuits have been threatened by customers of SIA Cargo or shippers that purportedly contracted with SIA Cargo's customers.

39 Contingent Liabilities (in $ million) (continued)

(a) Cargo: Investigations by Competition Authorities and Civil Class Actions (continued)

The plaintiffs in the South Korea proceedings withdrew their complaint in July 2011 and the proceedings were accordingly dismissed without prejudice. In January 2014, a shipper from South Korea which purportedly contracted with SIA Cargo's customers served a claim against SIA Cargo and other airlines. In December 2019, without admitting any liability, SIA Cargo entered into a settlement with the shipper, thereby resolving the claim against SIA Cargo.

In September 2016, one of SIA Cargo's customers filed a claim against SIA Cargo and the Company in the United States after opting out of SIA Cargo's and the Company's class action settlement.

In June 2017, without admitting any liability, SIA Cargo and the Company entered into a settlement of the above civil damages claim in the United States. At the same time, SIA Cargo and the Company settled the civil damages lawsuit filed in Germany, which was related to the opt-out claim in the United States.

In December 2018, without admitting any liability, SIA Cargo and the Company entered into a settlement with four out of the five claimant groups in the civil damages claim filed in England. In January 2019, the main defendant in the fifth claimant group proceedings discontinued its contribution claim against SIA Cargo and the Company. The entire civil damages claim filed in England has thus been resolved for SIA Cargo and the Company.

Without admitting any liability, SIA Cargo and the Company have settled with class and collective action plaintiffs in the United States, Australia, Canada and England, as the case may be, to resolve all liabilities of SIA Cargo and the Company as concerns such lawsuits filed in the relevant jurisdictions.

In addition, without admitting any liability, in 2012, 2013 and 2015, SIA Cargo reached settlements with certain customers to resolve all pending and potential future civil damage claims regarding the air cargo issues for those customers. The settlements in 2012, 2013, 2015 and 2017 have been reflected in the Group's financial statements in the previous financial years. The individual terms of all such settlements are required to be kept confidential.

Apart from the class actions in Canada, the United States and Australia, the opt-out claim in the United States, the lawsuit in Germany and the civil damages claims in England and South Korea, the filed cases remain in their respective procedural stages and none have been tried thus far on their respective substantive legal merits.

Apart from the items recorded as non-operating items noted above, it is premature to make a provision in the financial statements for the other pending investigations, court proceedings, civil suits, or threatened claims as their respective outcomes are uncertain.

(b) Passengers: Civil Class Actions

The Company and several other airlines have been named in a civil class action lawsuit in Canada alleging an unlawful agreement to fix surcharges and fares on transpacific flights. The case is currently in the procedural stage and has not been tried thus far on its substantive legal merits. As the lawsuit has neither been tried nor alleged damages quantified, it is premature to make a provision in the financial statements.

The passenger civil class action lawsuit filed in the United States against the Company was resolved in a previous financial period.

40 Financial Instruments (in $ million)

Classification and fair values 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 revenue and expenses, including fair value gains and losses, are recognised. The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as per the following tables.

Financial assets and financial liabilities that are classified as measured at amortised cost with carrying amounts being a reasonable approximation of their fair values are not presented in these tables. These financial assets include trade debtors, deposits and other debtors, amounts owing by subsidiary companies and cash and bank balances. These financial liabilities include trade and other creditors, amounts owing to subsidiary companies and loans.

40 Financial Instruments (in $ million) (continued)

Classification and fair values of financial instruments (continued)

31 March 2023 **The Group**	Carrying amount Amortised cost	FVTPL	FVOCI	Total	Fair value Level 1	Level 2	Level 3
Financial assets							
Long-term investments							
Quoted							
Non-equity investments	0.5	-	-	0.5	0.5	-	-
Unquoted							
Equity investments	-	37.6	1.3	38.9	-	-	38.9
Other long-term receivables	200.2	-	-	200.2	-	-	197.8
Derivative assets*	-	1,197.3	-	1,197.3	-	1,197.3	-
Investments							
Quoted							
Equity investments	-	1.7	-	1.7	1.7	-	-
Non-equity investments*	-	50.5	-	50.5	50.5	-	-
Non-equity investments	351.7	-	-	351.7	351.7	-	-
	552.4	1,287.1	1.3	1,840.8	404.4	1,197.3	236.7
Financial liabilities							
Derivative liabilities*	-	722.8	-	722.8	-	722.8	-
Notes payable	5,632.1	-	-	5,632.1	5,446.1	-	-
Convertible bonds	803.8	-	-	803.8	916.0	-	-
	6,435.9	722.8	-	7,158.7	6,362.1	722.8	-

* Mandatorily measured at FVTPL

40 Financial Instruments (in $ million) (continued)

Classification and fair values of financial instruments (continued)

31 March 2023 **The Company**	Carrying amount				Fair value		
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>							
Long-term investments							
Quoted							
Non-equity investments	0.5	-	-	0.5	0.5	-	-
Unquoted							
Equity investments	-	34.9	1.3	36.2	-	-	36.2
Other long-term receivables	125.4	-	-	125.4	-	-	125.4
Derivative assets*	-	1,191.2	-	1,191.2	-	1,191.2	-
Investments							
Quoted							
Non-equity investments	351.7	-	-	351.7	351.7	-	-
	477.6	1,226.1	1.3	1,705.0	352.2	1,191.2	161.6
<u>Financial liabilities</u>							
Derivative liabilities*	-	722.8	-	722.8	-	722.8	-
Notes payable	5,632.1	-	-	5,632.1	5,446.1	-	-
Convertible bonds	803.8	-	-	803.8	916.0	-	-
	6,435.9	722.8	-	7,158.7	6,362.1	722.8	-

* Mandatorily measured at FVTPL

40 Financial Instruments (in $ million) (continued)

Classification and fair values of financial instruments (continued)

31 March 2022 The Group	Carrying amount				Fair value		
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
Financial assets							
Long-term investments							
Quoted							
Non-equity investments	0.4	-	-	0.4	0.4	-	-
Unquoted							
Equity investments	-	40.9	1.3	42.2	-	-	42.2
Other long-term receivables	196.4	-	-	196.4	-	-	192.9
Derivative assets*	-	2,939.3	-	2,939.3	-	2,939.3	-
Investments							
Quoted							
Equity investments	-	2.1	-	2.1	2.1	-	-
Non-equity investments*	-	51.8	-	51.8	51.8	-	-
Non-equity investments	352.5	-	-	352.5	352.5	-	-
	549.3	3,034.1	1.3	3,584.7	406.8	2,939.3	235.1
Financial liabilities							
Derivative liabilities*	-	1,650.6	-	1,650.6	-	1,650.6	-
Notes payable	5,655.7	-	-	5,655.7	5,607.7	-	-
Convertible bonds	783.1	-	-	783.1	939.3	-	-
	6,438.8	1,650.6	-	8,089.4	6,547.0	1,650.6	-

* Mandatorily measured at FVTPL

40 Financial Instruments (in $ million) (continued)

Classification and fair values of financial instruments (continued)

31 March 2022 The Company	Carrying amount				Fair value		
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
Financial assets							
Long-term investments							
Quoted							
Non-equity investments	0.4	-	-	0.4	0.4	-	-
Unquoted							
Equity investments	-	38.2	1.3	39.5	-	-	39.5
Other long-term receivables	79.9	-	-	79.9	-	-	79.9
Derivative assets*	-	2,938.0	-	2,938.0	-	2,938.0	-
Investments							
Quoted							
Non-equity investments	352.5	-	-	352.5	352.5	-	-
	432.8	2,976.2	1.3	3,410.3	352.9	2,938.0	119.4
Financial liabilities							
Derivative liabilities*	-	1,647.0	-	1,647.0	-	1,647.0	-
Notes payable	5,655.7	-	-	5,655.7	5,607.7	-	-
Convertible bonds	783.1	-	-	783.1	939.3	-	-
	6,438.8	1,647.0	-	8,085.8	6,547.0	1,647.0	-

* Mandatorily measured at FVTPL

40 Financial Instruments (in $ million) (continued)

Classification and fair values of financial instruments (continued)

Financial instruments carried at fair value

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 – Unobservable inputs for the asset or liability

There has been no transfer between Level 1 and Level 2 during the financial year.

Determination of fair value

The fair values of the financial instruments are determined as follows:

- Jet fuel swap contracts – mark-to-market valuations, adjusted for bilateral counterparty credit risks.
- InterContinental Exchange ("ICE") Brent swap and Brent-MOPS crack swap contracts – by reference to available market information and the marked-to-market values of these swap contracts, adjusted for bilateral counterparty credit risks. As the Group hedges with ICE Brent and Brent-MOPS crack contracts, the ICE Brent futures contract price and its differential relative to MOPS price are used as the mark-to-market prices.
- Forward currency contracts – by reference to current forward prices for contracts with similar maturity profiles, adjusted for bilateral counterparty credit risks.
- Interest rate swap contracts – by discounting the future cash flows of swap contracts at market interest rate, adjusted for bilateral counterparty credit risks.
- Cross currency swap contracts – by reference to market prices for existing cash flow profiles pre-agreed with counterparties at trade inception, adjusted for bilateral counterparty credit risks.
- Quoted investments – by reference to stock exchange quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no active market, fair value is determined using valuation techniques that are commonly used by market participants.
- Other long-term receivables – by discounting expected future cash flows at market incremental lending rate for similar types of lending at the end of the reporting period.
- Notes payable – by reference to stock exchange quoted market bid prices at the close of business at the end of the reporting period.
- Convertible bonds – by reference to stock exchange quoted market bid prices at the close of business at the end of the reporting period.
- Currency options – by reference to valuations provided by the Company's counterparties.

40 Financial Instruments (in $ million) (continued)

Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association ("ISDA") master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g., when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Group also enters into netting arrangements with International Air Transport Association ("IATA") which is enforceable in the normal course of operations and also following an event of default, insolvency or bankruptcy of the Group or the counterparties. The Group settles these balances on a net basis during the normal course of operations.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

	Effects of offsetting in the statements of financial position			Related amounts not offset	
The Group	Gross amounts	Gross amounts set-off in the statements of financial position	Net amounts presented in the statements of financial position	Amounts subject to master netting arrangements	Net amount
31 March 2023					
Derivative assets	1,197.3	-	1,197.3	(638.8)	558.5
Trade debtors	1,200.5	(7.8)	1,192.7	-	1,192.7
	2,397.8	(7.8)	2,390.0	(638.8)	1,751.2
Derivative liabilities	722.8	-	722.8	(638.8)	84.0
Trade and other creditors	4,047.6	(7.8)	4,039.8	-	4,039.8
	4,770.4	(7.8)	4,762.6	(638.8)	4,123.8
31 March 2022					
Derivative assets	2,939.3	-	2,939.3	(1,606.8)	1,332.5
Trade debtors	1,568.9	(2.5)	1,566.4	-	1,566.4
	4,508.2	(2.5)	4,505.7	(1,606.8)	2,898.9
Derivative liabilities	1,650.6	-	1,650.6	(1,606.8)	43.8
Trade and other creditors	2,735.8	(2.5)	2,733.3	-	2,733.3
	4,386.4	(2.5)	4,383.9	(1,606.8)	2,777.1

40 Financial Instruments (in $ million) (continued)

Master netting or similar agreements (continued)

The Company	Effects of offsetting in the statements of financial position			Related amounts not offset	
	Gross amounts	Gross amounts set-off in the statements of financial position	Net amounts presented in the statements of financial position	Amounts subject to master netting arrangements	Net amount
31 March 2023					
Derivative assets	1,191.2	-	1,191.2	(638.8)	552.4
Trade debtors	1,036.2	(7.8)	1,028.4	-	1,028.4
Amounts owing by subsidiary companies	294.9	(294.8)	0.1	-	0.1
	2,522.3	(302.6)	2,219.7	(638.8)	1,580.9
Derivative liabilities	722.8	-	722.8	(638.8)	84.0
Trade and other creditors	3,028.7	(7.8)	3,020.9	-	3,020.9
Amounts owing to subsidiary companies	3,304.1	(294.8)	3,009.3	-	3,009.3
	7,055.6	(302.6)	6,753.0	(638.8)	6,114.2
31 March 2022					
Derivative assets	2,938.0	-	2,938.0	(1,606.8)	1,331.2
Trade debtors	1,409.7	(2.5)	1,407.2	-	1,407.2
Amounts owing by subsidiary companies	589.7	(589.5)	0.2	-	0.2
	4,937.4	(592.0)	4,345.4	(1,606.8)	2,738.6
Derivative liabilities	1,647.0	-	1,647.0	(1,606.8)	40.2
Trade and other creditors	2,071.4	(2.5)	2,068.9	-	2,068.9
Amounts owing to subsidiary companies	2,219.3	(589.5)	1,629.8	-	1,629.8
	5,937.7	(592.0)	5,345.7	(1,606.8)	3,738.9

41 Financial Risk Management Objectives and Policies (in $ million)

The Group operates globally and generates revenue in various currencies. The Group's airline operations carry certain financial and commodity risks, including the effects of changes in jet fuel prices, foreign currency exchange rates, interest rates and the market value of its investments. The Group's overall risk management approach is to moderate the effects of such volatility on its financial performance through the use of derivatives to hedge specific exposures.

As derivatives are used for the purpose of risk management, they do not expose the Group to market risk because gains and losses on the derivatives offset losses and gains on the matching asset, liability, revenues or expenses being hedged. Moreover, counterparty credit risk is generally restricted to any hedging gain from time to time, and not the principal amount hedged. Therefore, the possibility of a material loss arising in the event of non-performance by a counterparty is considered to be unlikely.

Financial risk management policies are periodically reviewed and approved by the Board Executive Committee ("BEC").

Derivative financial instruments included in the statements of financial position are as follows:

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Derivative assets				
Current				
Currency hedging contracts	27.6	0.2	27.6	0.2
Fuel hedging contracts	98.5	675.4	98.5	675.4
Fuel derivative contracts	444.3	710.6	444.3	710.6
Cross currency swap contracts	11.1	10.3	11.1	10.3
Interest rate swap contracts	81.2	5.5	78.3	5.5
	662.7	1,402.0	659.8	1,402.0
Non-current				
Fuel hedging contracts	0.7	153.4	0.7	153.4
Fuel derivative contracts	318.3	1,204.4	318.3	1,204.4
Cross currency swap contracts	26.7	19.7	26.7	19.7
Interest rate swap contracts	188.9	159.8	185.7	158.5
	534.6	1,537.3	531.4	1,536.0
	1,197.3	2,939.3	1,191.2	2,938.0
Derivative liabilities				
Current				
Currency hedging contracts	10.5	-	10.5	-
Fuel hedging contracts	29.9	-	29.9	-
Fuel derivative contracts	358.4	558.5	358.4	558.5
Interest rate swap contracts	0.2	16.2	0.2	12.6
	399.0	574.7	399.0	571.1
Non-current				
Fuel hedging contracts	6.8	-	6.8	-
Fuel derivative contracts	263.6	1,073.3	263.6	1,073.3
Cross currency swap contracts	53.4	2.4	53.4	2.4
Interest rate swap contracts	-	0.2	-	0.2
	323.8	1,075.9	323.8	1,075.9
	722.8	1,650.6	722.8	1,647.0

41 Financial Risk Management Objectives and Policies (in $ million) (continued)

(a) Jet fuel price risk

The Group's earnings are affected by changes in the price of jet fuel. The Group's strategy for managing the risk on fuel price, as defined by the BEC, aims to provide the Group with protection against sudden and significant increases in jet fuel prices. In meeting these objectives, the fuel risk management programme allows for the judicious use of approved instruments such as swaps, options and collars with approved counterparties and within approved credit limits to hedge approved range of anticipated jet fuel purchases over a specified time frame.

Cash flow hedges

The Group manages this fuel price risk by using jet fuel swap, ICE Brent swap and Brent-MOPS crack swap contracts.

The Group has applied cash flow hedge accounting to the derivatives which are considered to be highly effective hedging instruments. A net fair value gain before tax of $203.1 million (2022: gain before tax of $1,089.2 million), with a related deferred tax expense of $34.6 million (2022: deferred tax expense of $185.2 million), was included in the fair value reserve in respect of these contracts.

Following the outbreak of the Covid-19 pandemic, there was a significant reduction in the Group's capacity and hence fuel consumption, compared to prior planned flight schedules. Where the occurrences of these forecasted jet fuel purchases are no longer highly probable, hedge accounting has been discontinued.

Fair value gains of all discontinued hedges subsequent to the discontinuation of hedge accounting, until the earlier of the maturity of the underlying derivatives or end of the reporting period, amounting to $0.5 million (FY2021/22: $78.2 million) were recognised in profit or loss.

For discontinued hedges, a gain of $140.6 million (2022: gain of $273.3 million) previously recognised remained in the fair value reserve as at 31 March 2023.

The table below sets out the movements for fuel hedges:

	The Group		The Company	
	FY2022/23	FY2021/22	FY2022/23	FY2021/22
Change in fair value of hedging instrument	(159.9)	1,423.0	(159.9)	1,423.0
Change in fair value of hedged item	158.5	(1,436.0)	158.5	(1,436.0)

As at 31 March 2023, the Group had entered into Brent and MOPS hedges with maturities extending up to the second quarter of FY2024/25 that cover up to approximately 35% of the Group's projected annual fuel consumption, at an average prices ranging from USD60 to USD94 per barrel. Certain hedged positions up to the fourth quarter of FY2024/25 have been closed out through sell swaps.

Jet fuel price sensitivity analysis

The jet fuel price risk sensitivity analysis is based on the assumption that all other factors, such as fuel surcharge and uplifted fuel volume, remain constant. Under this assumption, and excluding the effects of hedging, an increase in price of one USD per barrel of jet fuel affects the Group's and the Company's annual fuel costs by $42.7 million and $37.6 million (FY2021/22: $26.8 million and $24.9 million) respectively.

41 Financial Risk Management Objectives and Policies (in $ million) (continued)

(a) Jet fuel price risk (continued)

The fuel hedging sensitivity analysis is based on contracts that are outstanding as at the end of the reporting period and assumes that hedge accounting has been discontinued for a portion of jet fuel, Brent and crack hedges. Under these assumptions, an increase or decrease in jet fuel prices, each by one USD per barrel, will have the before tax effects as set out in the table below.

Sensitivity analysis on outstanding fuel derivative contracts:

	The Group 31 March			
	2023		2022	
	Effect on equity [R1]	Effect on profit before taxation [R2]	Effect on equity [R1]	Effect on profit before taxation [R2]
Increase in one USD per barrel	22.2	-	23.3	-
Decrease in one USD per barrel	(22.2)	-	(23.3)	-

	The Company 31 March			
	2023		2022	
	Effect on equity [R1]	Effect on profit before taxation [R2]	Effect on equity [R1]	Effect on profit before taxation [R2]
Increase in one USD per barrel	18.9	-	19.9	-
Decrease in one USD per barrel	(18.9)	-	(19.9)	-

[R1] *Sensitivity analysis on outstanding fuel hedging contracts.*

[R2] *Sensitivity analysis on outstanding fuel derivative contracts which have been de-designated from a hedge relationship and fuel derivative contracts.*

41 Financial Risk Management Objectives and Policies (in $ million) (continued)

(b) Foreign currency risk

The Group is exposed to the effects of foreign exchange rate fluctuations because of its foreign currency denominated operating revenues and expenses. For the financial year ended 31 March 2023, these accounted for 68.1% of total revenue (FY2021/22: 69.7%) and 54.6% of total operating expenses (FY2021/22: 48.8%). The Group's largest exposures are from United States Dollar, Euro, UK Sterling Pound, Australian Dollar, New Zealand Dollar, Japanese Yen, Indian Rupee, Hong Kong Dollar, Chinese Yuan and Indonesian Rupiah. The Group generates a surplus in all of these currencies, with the exception of USD. The deficit in USD is attributable to capital expenditure, fuel costs and aircraft leasing costs – all conventionally denominated and payable in USD.

The Group manages its foreign exchange exposure by a policy of matching, as far as possible, receipts and payments in each individual currency. Surpluses of convertible currencies are sold, as soon as practicable, for USD or SGD. The Group also uses foreign currency forward and option contracts to hedge a portion of its future foreign exchange exposure. Such contracts provide for the Group to sell currencies at predetermined forward rates, buying either USD or SGD depending on forecast requirements, with settlement dates up to 24 months. The Company uses cross currency swap contracts to hedge USD bond liability and its coupon payments into SGD. The Group uses these currency hedging contracts purely as a hedging tool. It does not take positions in currencies with a view to making speculative gains from currency movements. The Group also uses short-term deposits in foreign currencies to hedge a portion of the forecast USD capital expenditure in the next 12 months.

<u>Cash flow hedges</u>

a) Net operating and other exposures

The Group held cash flow hedges to manage net operating exposures to foreign currencies. As at 31 March 2023, the carrying amounts of these hedges consisted of $27.6 million (2022: $0.2 million) derivative assets and $10.5 million (2022: $0.2 million) derivative liabilities for the Group and the Company. During the financial year, the amount reclassified from the cash flow hedge reserve to profit or loss (classified under 'Other operating expenses') is a gain of $9.9 million (2022: nil) for the Group. As at 31 March 2023, a net fair value gain of $12.9 million (2022: nil), with $1.9 million deferred tax (2022: nil), was included in the fair value reserve with respect to these contracts.

The Group also held cross currency swap contracts to hedge foreign currency risk of expected future JPY surpluses until November 2029. As at 31 March 2023, a net fair value gain of $35.2 million (2022: net fair value gain of $23.8 million), with no deferred tax (2022: nil), was included in the fair value reserve with respect to these contracts.

As at 31 March 2023, the Group held EUR and JPY secured loans amounting to $855.8 million (2022: $1,031.8 million) where the fixed repayments are hedged against the Group's EUR and JPY surpluses. A fair value gain of $63.2 million (2022: gain of $22.8 million) was included in the fair value reserve in respect of the above cash flow hedges as at 31 March 2023.

41 Financial Risk Management Objectives and Policies (in $ million) (continued)

(b) Foreign currency risk (continued)

Cash flow hedges (continued)

b) Capital expenditure exposures

The Group and the Company designate cash flow hedges to manage the exposure to USD-denominated capital expenditure commitments and capital injections in an associated company.

As at 31 March 2023, the Group and the Company held USD76.0 million (2022: USD312.2 million) and USD68.5 million (2022: USD304.2 million) respectively, in short-term deposits to hedge against foreign currency risk for a portion of the forecast USD capital expenditure and USD capital injections in an associated company in the next 12 months.

As at 31 March 2023, a fair value loss of $1.4 million (2022: fair value loss of $2.7 million) was included in the fair value reserve in respect of the above cash flow hedges.

The table below sets out the derivative positions and movements for these cash flow hedges:

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Hedged deposits	101.0	422.5	91.1	411.6

	The Group		The Company	
	FY2022/23	FY2021/22	FY2022/23	FY2021/22
Change in fair value of hedging instrument	2.0	(5.3)	2.5	(6.2)
Change in fair value of hedged item	(2.0)	5.3	(2.5)	6.2

For the financial year ended 31 March 2023 and 31 March 2022, there was no realised foreign currency hedging gain/(loss) reclassified to profit or loss as it had been capitalised in the carrying value of non-financial assets.

Fair value hedges

The Group entered into fair value hedges to manage the exposure to USD-denominated aircraft residual value. The residual values of aircraft are subject to foreign currency fluctuations and are remeasured to the prevailing exchange rates at the end of the reporting period. These underlying currency movements on aircraft are designated in a fair value hedge are included within "Property, plant and equipment" in the statements of financial position. The hedging instrument is included within "Lease liabilities". The effective portion of changes in the fair value of both the hedged item and hedging instrument are offset within "Other operating expenses" and no ineffectiveness arose on fair value hedges during the year.

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
USD aircraft residual values	1,550.3	1,782.1	1,349.0	1,481.5
USD lease liabilities	(1,550.3)	(1,782.1)	(1,349.0)	(1,481.5)

	The Group		The Company	
	FY2022/23	FY2021/22	FY2022/23	FY2021/22
Change in fair value of hedging instrument	28.0	(14.1)	24.6	(12.3)
Change in fair value of hedged item	(28.0)	14.1	(24.6)	12.3

41 Financial Risk Management Objectives and Policies (in $ million) (continued)

(b) Foreign currency risk (continued)

Foreign currency sensitivity analysis

The foreign currency risk sensitivity analysis is based on contracts that are outstanding as at the end of the reporting period and assumes that a portion of the cash flow hedges are ineffective.

The following table details the sensitivity of a 1% strengthening of SGD against the respective foreign currencies. The sensitivity analysis includes only outstanding foreign currency hedging contracts and significant outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

Sensitivity analysis:

	The Group 31 March			
	2023		2022	
	Effect on equity R1	Effect on profit before taxation R2	Effect on equity R1	Effect on profit before taxation R2
AUD	2.2	(0.2)	-	(1.3)
EUR	9.5	7.3	8.3	5.8
GBP	2.6	(0.6)	-	(1.6)
JPY	3.8	2.1	2.0	(0.6)
CNY	2.3	(0.2)	-	0.3
USD	(17.6)	(17.2)	(25.3)	(2.6)

	The Company 31 March			
	2023		2022	
	Effect on equity R1	Effect on profit before taxation R2	Effect on equity R1	Effect on profit before taxation R2
AUD	2.2	(0.4)	-	(1.6)
EUR	9.5	7.3	8.3	5.8
GBP	2.6	(0.6)	-	(1.6)
JPY	3.8	2.1	2.0	(0.6)
CNY	2.3	0.2	-	0.3
USD	(17.6)	(31.6)	(25.7)	(11.8)

R1 *Sensitivity analysis on outstanding foreign currency hedging contracts and fuel hedging contracts denominated in foreign currency.*

R2 *Sensitivity analysis on significant outstanding foreign currency denominated monetary items and outstanding foreign currency and fuel derivative contracts denominated in foreign currency.*

If the relevant foreign currency strengthens by 1% against SGD, equity and profit before taxation would change by the same amounts in the opposite direction.

41 Financial Risk Management Objectives and Policies (in $ million) (continued)

(c) Interest rate risk

The Group’s earnings are also affected by changes in interest rates due to the impact such changes have on interest income and expense from short-term deposits and other interest-bearing financial assets and liabilities. The Group enters into interest rate swap contracts to manage interest rate costs on its financial assets and liabilities, with the prior approval of the BEC or Boards of subsidiary companies.

Cash flow hedges

During the financial year, the Group entered into interest rate swap contracts to hedge the interest rate exposure on underlying loans. As at 31 March 2023, the total nominal amount of these cash flow hedges was $3,840.5 million (2022: $4,426.8 million) with a hedged rate range of 0.34% to 2.92% (2022: 0.34% to 2.92%) per annum for the Group and $3,588.5 million (2022: $4,126.8 million) with a hedged rate range of 0.34% to 2.86% (2022: 0.34% to 2.86%) per annum for the Company.

The terms of the interest rate swap contracts have been negotiated to match the terms of the loans and, accordingly, the fair value hedges are assessed to be highly effective. As at 31 March 2023, a net fair value gain of $269.9 million (2022: net fair value gain of $149.0 million) with related deferred tax expense of $45.7 million (2022: deferred tax expense of $25.4 million) was included in the fair value reserve in respect of these contracts.

41 Financial Risk Management Objectives and Policies (in $ million) (continued)

(c) Interest rate risk (continued)

<u>Interest rate sensitivity analysis</u>

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or finance charges of variable interest financial instruments.
- Changes in market interest rates affect the fair value of derivative financial instruments designated as hedging instruments and all interest rate hedges are expected to be highly effective.
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the end of the reporting period.

Under these assumptions, an increase or decrease in market interest rates of 10 basis points for all currencies in which the Group has derivative financial instruments and variable rate assets and liabilities at 31 March 2023 will have the effects as set out in the table below.

<u>Sensitivity analysis:</u>

	The Group 31 March			
	2023		2022	
	Effect on equity R1	Effect on profit before taxation R2	Effect on equity R1	Effect on profit before taxation R2
Increase in 10 basis points in market interest rates	12.0	16.7	16.4	14.1
Decrease in 10 basis points in market interest rates	(12.0)	(16.7)	(16.4)	(14.1)

	The Company 31 March			
	2023		2022	
	Effect on equity R1	Effect on profit before taxation R2	Effect on equity R1	Effect on profit before taxation R2
Increase in 10 basis points in market interest rates	11.4	14.3	15.5	12.8
Decrease in 10 basis points in market interest rates	(11.4)	(14.3)	(15.5)	(12.8)

R1 *Sensitivity analysis on derivative financial instruments.*

R2 *Sensitivity analysis on variable rate assets and liabilities.*

41 Financial Risk Management Objectives and Policies (in $ million) (continued)

(c) Interest rate risk (continued)

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some IBORs with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group had exposures to Singapore Swap Offer Rate ("SOR") on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

In Singapore, the Steering Committee for SOR and SIBOR transition to SORA ("SC-STS") together with the Association of Banks in Singapore ("ABS") and Singapore Foreign Exchange Market Committee ("SFEMC"), has identified the Singapore Overnight Rate Average ("SORA") as the alternative interest rate benchmark to replace SIBOR and SOR in Singapore. The timeline for SORA to replace SOR and SIBOR is by the end of June 2023 and December 2024 respectively. In the prior year, the Group has undertaken amendments to its financial instruments with contractual terms indexed to SOR such that they incorporate the new benchmark rate (i.e., SORA).

Management monitors and manages the Group's transition to alternative rates. The management evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

Non-derivative financial assets

The Group has no major IBOR exposures to non-derivative financial assets as at 31 March 2023. The Company's IBOR exposures to non-derivative financial assets as at 31 March 2023 were shareholder's loans to its subsidiary which are indexed to SOR.

Non-derivative financial liabilities

The Group has no major exposure to IBOR-based non-derivative financial liabilities as at 31 March 2023.

Derivatives

The Group holds interest rate swaps for risk management purposes that are designated in cash flow hedging relationships. The Group has no major exposure to IBOR-based derivative financial liabilities as at 31 March 2023.

Hedge accounting

The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rates which are SORA. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with counterparties as usual.

The Group has evaluated that there is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments and such uncertainty may impact the hedging relationship. The Group continues to apply the amendments to IFRS 9 issued in March 2021 (Phase 1) to those hedging relationships directly affected by interest rate benchmark reform.

41 Financial Risk Management Objectives and Policies (in $ million) (continued)

(c) Interest rate risk (continued)

Managing interest rate benchmark reform and associated risks (continued)

Hedge accounting (continued)

Hedging relationships impacted by interest rate benchmark reform may experience ineffectiveness attributable to market participants' expectations of when and how the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur for the relevant hedged items and hedging instruments. This transition may also occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to Singapore-dollar SOR using available quoted market rates for SOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in SOR on a similar basis.

The Group has no major exposure to Singapore-dollar SOR designated in hedging relationships as at 31 March 2023.

(d) Market rate risk

At 31 March 2023, the Group and the Company own investments of $443.3 million (2022: $449.0 million) and $388.4 million (2022: $392.4 million) respectively, out of which $91.2 million (2022: $96.1 million) and $36.2 million (2022: $39.5 million) are subject to market risk, being the potential loss resulting from a decrease in market prices.

Market price sensitivity analysis

If prices for these investments increase or decrease by 1% with all other variables being held constant, the before tax effects on equity and effects on profit before taxation are set out in the table below.

Sensitivity analysis on investments:

	The Group 31 March 2023		2022	
	Effect on equity	Effect on profit before taxation	Effect on equity	Effect on profit before taxation
Increase in 1% of quoted prices	-	0.9	-	0.9
Decrease in 1% of quoted prices	-	(0.9)	-	(0.9)

	The Company 31 March 2023		2022	
	Effect on equity	Effect on profit before taxation	Effect on equity	Effect on profit before taxation
Increase in 1% of quoted prices	-	0.3	-	0.4
Decrease in 1% of quoted prices	-	(0.3)	-	(0.4)

41 Financial Risk Management Objectives and Policies (in $ million) (continued)

(e) Liquidity risk

At 31 March 2023, the Group had at its disposal, cash and short-term deposits amounting to $16,327.6 million (2022: $13,762.7 million). In addition, the Group had committed unsecured credit facilities of about $2,172.8 million (2022: $2,111.8 million) available for utilisation as at 31 March 2023. The Group also has a Medium Term Note Programme and Medium Term Bond Programme under which it may issue notes up to $12,000.0 million (2022: $12,000.0 million) and as of 31 March 2023, $6,357.6 million (2022: $6,331.3 million) remained unutilised. Under these uncommitted Programmes, notes issued by the Company may have varying maturities as contracted with the relevant financial institutions.

The Group's holdings of cash and short-term deposits are expected to be sufficient to cover the cost of all firm aircraft deliveries due in the next financial year. It is expected that any shortfall would be met by bank borrowings or public market funding. Due to the necessity to plan aircraft orders well in advance of delivery, it is not economical for the Group to have committed funding in place at present for all outstanding orders, many of which relate to aircraft which will not be delivered for several years. The Group's policies in this regard are in line with the funding policies of other major airlines.

The maturity profile of the financial liabilities of the Group and the Company is as follows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is insignificant.

31 March 2023	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
The Group							
Notes payable	1,530.2	433.0	816.6	1,390.7	755.3	1,377.1	6,302.9
Convertible bonds	13.8	13.9	863.8	-	-	-	891.5
Loans	668.3	650.0	638.2	636.2	634.2	1,175.9	4,402.8
Lease liabilities	788.8	714.4	593.0	443.4	398.2	2,194.1	5,131.9
Trade and other creditors	4,039.8	-	-	-	-	-	4,039.8
Derivative financial instruments:							
Currency hedging contracts	10.6	-	-	-	-	-	10.6
Fuel hedging contracts	30.1	6.3	-	-	-	-	36.4
Fuel derivative contracts	367.2	278.6	-	-	-	-	645.8
Cross currency swap contracts	-	-	-	0.7	-	8.4	9.1
Interest rate swap contracts (net-settled)	3.1	1.7	0.9	42.3	0.2	-	48.2
	7,451.9	2,097.9	2,912.5	2,513.3	1,787.9	4,755.5	21,519.0
The Company							
Notes payable	1,530.2	433.0	816.6	1,390.7	755.3	1,377.1	6,302.9
Convertible bonds	13.8	13.9	863.8	-	-	-	891.5
Loans	596.2	586.6	586.0	585.4	584.8	1,163.8	4,102.8
Lease liabilities	523.6	499.7	424.9	286.0	257.9	1,367.1	3,359.2
Trade and other creditors	3,020.9	-	-	-	-	-	3,020.9
Amounts owing to subsidiary companies	3,009.3	-	-	-	-	-	3,009.3
Derivative financial instruments:							
Currency hedging contracts	10.6	-	-	-	-	-	10.6
Fuel hedging contracts	30.1	6.3	-	-	-	-	36.4
Fuel derivative contracts	367.2	278.6	-	-	-	-	645.8
Cross currency swap contracts	-	-	-	0.7	-	8.4	9.1
Interest rate swap contracts (net-settled)	0.2	-	-	41.7	-	-	41.9
	9,102.1	1,818.1	2,691.3	2,304.5	1,598.0	3,916.4	21,430.4

41 Financial Risk Management Objectives and Policies (in $ million) (continued)

(e) Liquidity risk (continued)

31 March 2022	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
The Group							
Notes payable	181.7	1,531.8	434.7	818.1	1,403.8	2,148.5	6,518.6
Convertible bonds	13.8	13.8	13.9	863.8	-	-	905.3
Loans	682.7	699.2	686.3	678.9	670.5	1,894.1	5,311.7
Lease liabilities	680.9	610.9	525.7	415.2	330.6	1,854.4	4,417.7
Maintenance reserve	1.8	-	-	-	-	-	1.8
Trade and other creditors	2,733.3	-	-	-	-	-	2,733.3
Derivative financial instruments:							
Fuel derivative contracts	561.8	659.1	453.8	-	-	-	1,674.7
Interest rate swap contracts (net-settled)	12.4	(38.8)	(36.8)	(31.4)	(24.8)	(41.3)	(160.7)
	4,868.4	3,476.0	2,077.6	2,744.6	2,380.1	5,855.7	21,402.4
The Company							
Notes payable	181.7	1,531.8	434.7	818.1	1,403.8	2,148.5	6,518.6
Convertible bonds	13.8	13.8	13.9	863.8	-	-	905.3
Loans	606.8	644.3	632.9	626.9	619.8	1,832.8	4,963.5
Lease liabilities	447.7	428.6	397.3	333.9	259.4	1,404.4	3,271.3
Maintenance reserve	1.8	-	-	-	-	-	1.8
Trade and other creditors	2,068.9	-	-	-	-	-	2,068.9
Amounts owing to subsidiary companies	1,629.8	-	-	-	-	-	1,629.8
Derivative financial instruments:							
Fuel derivative contracts	561.8	659.1	453.8	-	-	-	1,674.7
Interest rate swap contracts (net-settled)	8.8	(38.3)	(36.5)	(31.1)	(24.7)	(41.3)	(163.1)
	5,521.1	3,239.3	1,896.1	2,611.6	2,258.3	5,344.4	20,870.8

(f) Credit risk

The Group has an independent Group Debts Review Committee to review the follow up actions on outstanding receivables monthly. On a day-to-day basis, the respective Finance divisions have the primary responsibility for measuring and managing specific risk exposures.

The maximum exposure to credit risk for the Group and the Company is represented by the carrying amount of each financial asset in the statements of financial position.

There are no significant concentrations of credit risk other than from counterparties of cash and bank balances and derivative instruments, where transactions are limited to financial institutions possessing high credit quality and hence the risk of default is low.

The sale of passenger and cargo transportation is largely achieved through IATA accredited sales agents. The credit risk of such sales agents is relatively small owing to broad diversification. In specific instances, the contract may require special collateral.

Unless expressly stated otherwise in the contract, receivables and payables among airlines are settled either bilaterally or via the IATA Clearing House. Receivables and payables are generally netted and settled at weekly intervals, which lead to a clear reduction in the risk of default.

41 Financial Risk Management Objectives and Policies (in $ million) (continued)

(f) Credit risk (continued)

For all other service relationships, depending on the nature and scope of the services rendered, collateral is required, credit reports or references are obtained and use is made of historical data from previous business relations, especially with regard to payment behaviour, in order to avoid non-performance.

Collateral requested from debtors include bank guarantees, cash-in-lieu of deposit and security deposits.

The Group determines concentrations 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 balances that exceed 5% of the financial assets of the Group and the Company as at 31 March:

	The Group				The Company			
	Outstanding balance		Percentage of total financial assets		Outstanding balance		Percentage of total financial assets	
	2023	2022	2023	2022	2023	2022	2023	2022
Counterparty profiles								
By industry:								
Travel agencies	462.3	666.8	2.3%	3.5%	458.1	665.2	2.0%	3.0%
Airlines	124.8	79.1	0.6%	0.4%	3,603.7	3,564.1	16.0%	16.1%
Financial institutions	17,742.0	16,390.8	89.9%	85.6%	17,358.4	16,176.9	76.8%	73.2%
Others	388.5	1,131.7	2.0%	5.9%	349.7	1,045.3	1.6%	4.7%
	18,717.6	18,268.4	94.8%	95.4%	21,769.9	21,451.5	96.4%	97.0%
By region:								
East Asia	8,608.9	6,677.7	43.6%	35.0%	11,795.5	9,985.9	52.2%	45.2%
Europe	6,438.0	8,338.2	32.6%	43.5%	6,370.1	8,252.4	28.2%	37.3%
South West Pacific	2,019.6	2,096.6	10.2%	10.9%	2,002.0	2,091.2	8.9%	9.5%
Americas	449.2	257.5	2.3%	1.3%	421.0	230.3	1.9%	1.0%
West Asia and Africa	1,201.9	898.4	6.1%	4.7%	1,181.3	891.7	5.2%	4.0%
	18,717.6	18,268.4	94.8%	95.4%	21,769.9	21,451.5	96.4%	97.0%
By Moody's credit ratings:								
Investment grade (A to Aaa)	17,830.6	16,903.8	90.3%	88.3%	17,483.5	16,699.8	77.4%	75.5%
Investment grade (Baa)	75.2	132.0	0.4%	0.7%	69.6	130.3	0.3%	0.6%
Non-rated	811.8	1,232.6	4.1%	6.4%	4,216.8	4,621.4	18.7%	20.9%
	18,717.6	18,268.4	94.8%	95.4%	21,769.9	21,451.5	96.4%	97.0%

42 Reconciliation of Movements of Liabilities to Cash Flows Arising from Financing Activities (in $ million)

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

					Non-cash changes				
	1 April 2022	Proceeds	Repayments	Interest payments	Interest expense	Foreign exchange movement	Additions	Interest capitalised	31 March 2023
Notes payable	5,655.7	-	-	-	2.6	(26.2)	-	-	5,632.1
Convertible bonds	783.1	-	-	-	20.7	-	-	-	803.8
Loans	5,573.5	6.2	(988.0)	-	4.2	(74.7)	204.3	-	4,725.5
Lease liabilities	3,682.5	-	(740.3)	-	158.1	(110.0)	1,187.6	-	4,177.9
Accrued interest	72.5	-	-	(332.6)	234.3	-	-	92.0	66.2

					Non-cash changes				
	1 April 2021	Proceeds	Repayments	Interest payments	Interest expense	Foreign exchange movement	Additions	Interest capitalised	31 March 2022
Notes payable	5,045.7	811.3	(200.0)	-	1.7	(3.0)	-	-	5,655.7
Convertible bonds	767.7	-	-	-	15.4	-	-	-	783.1
Loans	5,658.5	6.9	(697.8)	-	3.9	(50.2)	652.2	-	5,573.5
Lease liabilities	2,865.0	-	(677.4)	-	136.7	18.7	1,339.5	-	3,682.5
Accrued interest	71.7	-	-	(277.0)	233.9	-	-	43.9	72.5

43 Capital Management (in $ million)

The primary objective of the management of the Company'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, such as the Covid-19 pandemic, on cash flows.

The Directors regularly review the Company's capital structure and make adjustments to reflect economic conditions, business strategies and future commitments.

The Group monitors capital using a gearing ratio, which is total debt divided by total capital.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

During the financial year ended 31 March 2023, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Notes payable	5,632.1	5,655.7	5,632.1	5,655.7
Convertible bonds	803.8	783.1	803.8	783.1
Loans	4,725.5	5,573.5	4,454.5	5,255.9
Lease liabilities	4,177.9	3,682.5	2,727.0	2,737.5
Total debt	15,339.3	15,694.8	13,617.4	14,432.2
Share capital	7,180.2	7,180.2	7,180.2	7,180.2
Mandatory convertible bonds	6,195.1	9,691.2	6,195.1	9,691.2
Reserves	6,483.0	5,540.5	7,734.4	6,623.8
Total capital	19,858.3	22,411.9	21,109.7	23,495.2
Gearing ratio (times)	0.77	0.70	0.65	0.61

44 Related Party Transactions (in $ million)

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. Related parties may be individuals or other entities.

Key Management Personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The Group considers the Directors, Chief Executive Officer and Executive Vice Presidents of the Company to be Key Management Personnel of the Company.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant related party transactions were carried out in the normal course of business during the financial year:

	The Group	
	FY2022/23	FY2021/22
Purchases of services from associated companies	52.4	121.9
Services rendered to associated companies	(15.8)	(21.7)
Purchases of services from joint venture companies	10.7	7.6
Services rendered to joint venture companies	(6.9)	(5.2)
Purchases of services from related parties	1,486.4	603.5
Services rendered to related parties	(13.6)	(9.7)
Professional fees paid to a firm of which a Director is a member	0.6	1.2

Key Management Personnel remuneration of the Group

	The Group	
	FY2022/23	FY2021/22
Directors		
Salary, bonuses, fee and other costs	6.2	2.8
CPF and other defined contributions	*	*
Share-based compensation expense	2.4	2.1
	8.6	4.9
Key executives (excluding executive Directors)		
Salary, bonuses, fee and other costs	5.7	1.7
CPF and other defined contributions	*	*
Share-based compensation expense	2.8	2.1
	8.5	3.8

* Amount less than $0.1 million

44 Related Party Transactions (in $ million) (continued)

Conditional awards granted to a Director and key executives of the Company pursuant to the Restricted Share Plan and the Performance Share Plan are as follows:

RSP Base Awards

Name of participant	Balance as at 1 April 2022	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2023	Aggregate Base Awards granted since commencement of RSP to end of financial year under review
Goh Choon Phong	102,850	93,494	102,850	93,494	630,792
Mak Swee Wah	51,425	46,747	51,425	46,747	311,267
Lee Lik Hsin	38,569	40,996	38,569	40,996	179,930
Tan Kai Ping	38,569	40,996	38,569	40,996	226,617

RSP Final Awards (Pending Release)[R1]

Name of participant	Balance as at 1 April 2022	Final Awards granted during the financial year[1]	Final Awards released during the financial year	Balance as at 31 March 2023	Aggregate ordinary shares released to participant since commencement of RSP to end of financial year under review[2]
Goh Choon Phong	77,792	134,740	90,554	121,978	413,680
Mak Swee Wah	37,412	67,370	44,399	60,383	204,816
Lee Lik Hsin	26,325	50,530	31,643	45,212	100,565
Tan Kai Ping	27,729	50,530	33,047	45,212	139,744

PSP Base Awards[R2]

Name of participant	Balance as at 1 April 2022	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2023	Aggregate Base Awards granted since commencement of PSP to end of financial year under review	Aggregate ordinary shares released to participant since commencement of PSP to end of financial year under review[2]
Goh Choon Phong	424,110	140,241	134,834	429,517	928,409	200,810
Mak Swee Wah	176,625	57,135	56,772	176,988	379,383	82,450
Lee Lik Hsin	110,009	50,086	19,870	140,225	192,006	27,150
Tan Kai Ping	118,525	50,086	28,386	140,225	221,565	35,800

44 Related Party Transactions (in $ million) (continued)

SSA Base Awards

Name of participant	Balance as at 1 April 2022	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2023	Aggregate Base Awards granted since commencement of SSA to end of financial year under review
Goh Choon Phong	-	167,700	167,700	-	507,500
Mak Swee Wah	-	77,600	77,600	-	236,100
Lee Lik Hsin	-	66,100	66,100	-	154,000
Tan Kai Ping	-	66,100	66,100	-	169,000

SSA Base Awards Final Awards (Pending Release)[R3]

Name of participant	Balance as at 1 April 2022	Final Awards granted during the financial year[1]	Adjustment[3]	Final Awards released during the financial year	Balance as at 31 March 2023	Aggregate ordinary shares released to participant since commencement of TSA to end of financial year under review[2]
Goh Choon Phong	123,225	167,700	37,340	206,140	122,125	422,715
Mak Swee Wah	57,475	77,600	17,420	95,845	56,650	196,870
Lee Lik Hsin	35,250	66,100	6,960	61,985	46,325	114,635
Tan Kai Ping	39,000	66,100	9,960	68,735	46,325	132,635

R1 *The actual number of RSP Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over the one-year performance periods relating to the relevant awards.*

R2 *The actual number of PSP Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the three-year performance periods relating to the relevant awards.*

R3 *The actual number of SSA Final Awards of fully paid ordinary shares is contingent on BCIRC's assessment of Covid-19 response.*

1 *Final Awards granted during the financial year is determined by applying the achievement factor to the Base Awards that have vested during the financial year.*

2 *During the financial year, 199,643, 179,910 and 432,705 treasury shares were issued to a Director and key executives of the Company pursuant to the RSP, PSP and SSA respectively.*

3 *Adjustment at the end of the performance period relating to an additional equity kicker during the financial year.*

45 Subsequent Events

In April 2023, the Company capitalised $3,000.0 million of shareholder loans to Scoot into equity. There is no change to the Group's shareholdings in Scoot.

On 10 May 2023, the Company announced its intention to redeem 50% of the tranche of MCBs that were issued in June 2021. The accreted principal amount payable, being 108.243% of the principal amount of the MCBs, will be $3,098.4 million. This redemption will be carried out on a pro-rata basis, with the redemption amount to be paid to eligible bondholders on 26 June 2023.