SINGAPORE AIRLINES

A STAR ALLIANCE MEMBER

ANNUAL REPORT
FY2020/21

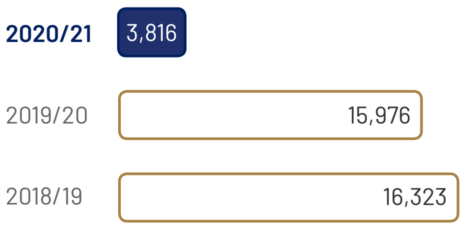
MISSION STATEMENT

Singapore Airlines is a global company dedicated to providing air transportation services of the highest quality, and to maximising returns for the benefit of its shareholders and employees.

CONTENTS

THREE-YEAR FINANCIAL HIGHLIGHTS

TOTAL GROUP REVENUE
($ million)

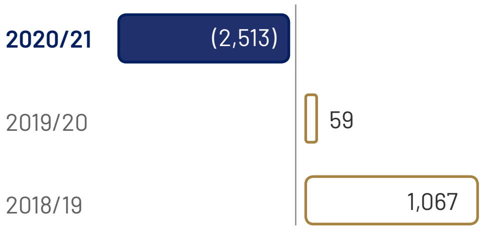


NET ASSET VALUE PER SHARE:

$5.36

Net asset value per share is computed by dividing equity attributable to owners of the Company by the number of ordinary shares in issue excluding treasury shares.

GROUP OPERATING (LOSS)/PROFIT
($ million)

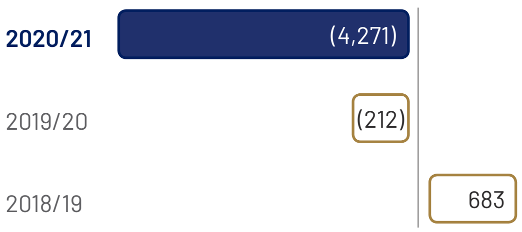


LOSS PER SHARE (BASIC):

(115.6) cents

Loss per share (basic) is computed by dividing loss attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, assuming the conversion of all mandatory convertible bonds in accordance with IAS 33 *Earnings Per Share.*

GROUP NET (LOSS)/PROFIT
($ million)



SIA GROUP PORTFOLIO

Figures as at 31 March 2021

Due to the disruptions caused by the Covid-19 pandemic during the year in review, the Singapore Airlines (SIA) Group has had to significantly scale back its global network. This includes the suspension of services to several destinations. Despite the challenges, the SIA Group continued to seize opportunities in both the passenger and cargo markets, operated flights to bring home people who were stranded amid travel restrictions, found ways to offer even greater convenience and options to customers, and reinforced its position as a global leader in the airline industry.

SINGAPORE AIRLINES

457,135
passengers carried in FY2020/21

113[#&]
passenger aircraft in ongoing operating fleet

47
passenger destinations served

21
passenger destinations temporarily suspended due to Covid-19
(includes seasonal routes Mandalay and Sapporo)

SILKAIR

57,178
passengers carried in FY2020/21

1[#^@]
passenger aircraft in ongoing operating fleet

5
passenger destinations served

16
passenger destinations temporarily suspended due to Covid-19

SCOOT

81,908
passengers carried in FY2020/21

47[#]
passenger aircraft in ongoing operating fleet

18
passenger destinations served

50
passenger destinations temporarily suspended due to Covid-19

TOTAL:

596,221
passengers carried in FY2020/21

168[#†]
aircraft in ongoing operating fleet

60[*]
passenger destinations served

67[**]
passenger destinations temporarily suspended due to Covid-19

Ongoing operating fleet excludes aircraft deemed surplus to fleet, and includes aircraft that were or will be withdrawn from service for temporary storage due to significant capacity cuts arising from the Covid-19 pandemic.

^ Excludes six Boeing 737-8 MAX aircraft that are currently not in service.

† Figure includes seven Boeing 747-400 cargo freighters.

* Figure refers to the total number of unique passenger destinations operated by the SIA Group Airlines (including Singapore).

** Figure refers to the total number of unique passenger destinations temporarily suspended by the SIA Group Airlines due to the Covid-19 pandemic.

& Excludes four B777-300 ER aircraft which will be removed from the operating fleet in FY2021/22.

@ Excludes eight B737-800 aircraft which will be removed from the operating fleet in FY2021/22.

STATISTICAL HIGHLIGHTS

FINANCIAL STATISTICS [R1]

	2020/21	2019/20		% Change	
The Group					
Financial Results ($ million)					
Total revenue	3,815.9	15,975.9	-	76.1	
Total expenditure	6,328.4	15,916.8	-	60.2	
Operating (loss)/profit	(2,512.5)	59.1		n.m.	
Loss before taxation	(4,957.2)	(220.2)		n.m.	
Loss attributable to owners of the Company	(4,270.7)	(212.0)		n.m.	
Financial Position ($ million)					
Share capital	7,180.2	1,856.1		n.m.	
Mandatory convertible bonds	3,496.1	-		n.m.	
Treasury shares	(133.2)	(156.0)	+	14.6	
Capital reserve	(96.8)	(112.7)	+	14.1	
Foreign currency translation reserve	(16.9)	(5.3)		n.m.	
Share-based compensation reserve	20.8	25.7	-	19.1	
Fair value reserve	(178.6)	(2,150.9)	+	91.7	
General reserve	5,634.3	9,857.2	-	42.8	
Equity attributable to owners of the Company	15,905.9	9,314.1	+	70.8	
Return on equity holders' funds (%) [R2]	(33.9)	(1.9)	-	32.0	points
Total assets	37,581.3	33,712.8	+	11.5	
Total debt	14,336.9	11,784.5	+	21.7	
Total debt : equity ratio (times) [R3]	0.90	1.27	-	0.37	times
Value added	592.9	4,775.3	-	87.6	
Per Share Data					
Loss - basic (cents) [R4]	(115.6)	(11.2)		n.m.	
Loss - adjusted basic (cents) [R5]	(162.2)	(11.2)		n.m.	
Loss - diluted (cents) [R6]	(115.6)	(11.3)		n.m.	
Net asset value ($) [R7]	5.36	7.86	-	31.8	
Adjusted net asset value ($) [R8]	3.60	7.86	-	54.2	
Dividends					
Interim dividend (cents per share)	-	8.0	-	8.0	cents
Final dividend (cents per share)	-	-		-	
Dividend cover (times) [R9]	-	(2.2)	+	2.2	times
The Company					
Financial Results ($ million)					
Total revenue	3,450.4	13,012.7	-	73.5	
Total expenditure	5,152.1	12,718.5	-	59.5	
Operating (loss)/profit	(1,701.7)	294.2		n.m.	
Loss before taxation	(3,360.5)	(290.3)		n.m.	
Loss after taxation	(2,841.1)	(283.5)		n.m.	
Value added	895.5	3,374.6	-	73.5	

R1 *Singapore Airlines' financial year is from 1 April to 31 March. Throughout this report, all figures are in Singapore Dollars, unless otherwise stated.*

R2 *Return on equity holders' funds is loss attributable to owners of the Company expressed as a percentage of the average equity holders' funds.*

R3 *Total debt : equity ratio is total debt divided by equity attributable to owners of the Company as at 31 March.*

R4 *Loss per share (basic) is computed by dividing loss attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, assuming the conversion of all mandatory convertible bonds in accordance with IAS 33 Earnings Per Share.*

R5 *Loss per share (adjusted basic) is computed by dividing loss attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, assuming the redemption of all mandatory convertible bonds.*

R6 *Loss per share (diluted) is computed by dividing loss attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, adjusted for the dilutive effect on the vesting of all outstanding share-based incentive awards granted, in accordance with IAS 33.*

R7 *Net asset value per share is computed by dividing equity attributable to owners of the Company by the number of ordinary shares in issue excluding treasury shares at 31 March.*

R8 *Adjusted net asset value per share is computed by dividing equity attributable to owners of the Company by the number of ordinary shares in issue excluding treasury shares, assuming the conversion of all mandatory convertible bonds and convertible bonds.*

R9 *Dividend cover is loss attributable to owners of the Company divided by total dividends.*

OPERATING STATISTICS

	2020/21	2019/20		% Change	
Singapore Airlines					
Passenger Operations					
Passengers carried (thousand)	457	20,906	-	97.8	
Revenue passenger-km (million)	2,581.6	104,134.6	-	97.5	
Available seat-km (million)	19,253.7	127,165.8	-	84.9	
Passenger load factor (%)	13.4	81.9	-	68.5	points
Passenger yield (cents/pkm)	20.9	10.0	+	109.0	
Revenue per available seat-km (cents/ask)	2.8	8.2	-	65.9	
Passenger unit cost (cents/ask)	12.0	8.0	+	50.0	
Cargo Operations					
Cargo and mail carried (million kg)	734.0	1,205.0	-	39.1	
Cargo load (million tonne-km)	4,111.9	6,389.2	-	35.6	
Gross capacity (million tonne-km)	4,795.1	10,778.2	-	55.5	
Cargo load factor (%)	85.8	59.3	+	26.5	points
Cargo yield (cents/ltk)	65.9	30.5	+	116.1	
Cargo unit cost (cents/ctk)	32.3	16.4	+	97.0	
Overall Operations					
Overall load (million tonne-km)	4,355.7	16,039.3	-	72.8	
Overall capacity (million tonne-km)	6,796.9	23,745.0	-	71.4	
Overall load factor (%)	64.1	67.5	-	3.4	points
Overall yield (cents/ltk)	74.6	77.0	-	3.1	
Overall unit cost (cents/ctk)	56.8	50.5	+	12.5	
SilkAir					
Passengers carried (thousand)	57	4,440	-	98.7	
Revenue passenger-km (million)	87.4	8,195.4	-	98.9	
Available seat-km (million)	239.3	10,599.6	-	97.7	
Passenger load factor (%)	36.5	77.3	-	40.8	points
Passenger yield (cents/pkm)	28.6	10.7	+	167.3	
Revenue per available seat-km (cents/ask)	10.4	8.2	+	26.8	
Passenger unit cost (cents/ask)	48.3	8.5		n.m.	
Scoot					
Passengers carried (thousand)	82	10,454	-	99.2	
Revenue passenger-km (million)	221.6	28,668.5	-	99.2	
Available seat-km (million)	2,228.2	33,445.8	-	93.3	
Passenger load factor (%)	9.9	85.7	-	75.8	points
Passenger yield (cents/pkm)	55.0	5.6		n.m.	
Revenue per available seat-km (cents/ask)	5.5	4.8	+	14.6	
Cost per available seat-km (cents/ask)	19.9	5.4		n.m.	
Group Airlines (Passenger)					
Passengers carried (thousand)	596	35,800	-	98.3	
Revenue passenger-km (million)	2,890.6	140,998.5	-	97.9	
Available seat-km (million)	21,721.2	171,211.2	-	87.3	
Passenger load factor (%)	13.3	82.4	-	69.1	points
Passenger yield (cents/pkm)	23.7	9.1	+	160.4	
Revenue per available seat-km (cents/ask)	3.2	7.5	-	57.3	
Employee Productivity (Average) - The Company					
Average number of employees	15,790	16,760	-	5.8	
Capacity per employee (tonne-km)	430,459	1,416,772	-	69.6	
Revenue per employee ($)	218,518	776,414	-	71.9	
Value added per employee ($)	56,713	201,348	-	71.8	
Employee Productivity (Average) - The Group					
Average number of employees	25,547	27,619	-	7.5	
Revenue per employee ($)	149,368	578,439	-	74.2	
Value added per employee ($)	23,208	172,899	-	86.6	

GLOSSARY

Singapore Airlines

Passenger Operations

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km
Passenger yield	=	Passenger revenue from scheduled services divided by revenue passenger-km
Revenue per available seat-km	=	Passenger revenue from scheduled services divided by available seat-km
Passenger unit cost	=	Passenger operating expenditure divided by available seat-km

Cargo Operations

Cargo load	=	Cargo and mail load carried (in tonnes) x distance flown (in km)
Gross capacity	=	Cargo capacity production (in tonnes) x distance flown (in km)
Cargo load factor	=	Cargo and mail load (in tonne-km) expressed as a percentage of gross capacity (in tonne-km)
Cargo yield	=	Cargo and mail revenue from scheduled services divided by cargo load (in tonne-km)
Cargo unit cost	=	Cargo operating expenditure divided by gross capacity (in tonne-km)

Overall Operations

Overall load	=	Passenger, cargo and mail load carried (in tonnes) x distance flown (in km)
Overall capacity	=	Passenger and cargo capacity production (in tonnes) x distance flown (in km)
Overall load factor	=	Overall load (in tonne-km) expressed as a percentage of overall capacity (in tonne-km)
Overall yield	=	Passenger, cargo and mail flown revenue from scheduled services divided by overall load (in tonne-km)
Overall unit cost	=	Operating expenditure divided by overall capacity

SilkAir

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km
Passenger yield	=	Passenger revenue from scheduled services divided by revenue passenger-km
Revenue per available seat-km	=	Passenger revenue from scheduled services divided by available seat-km
Passenger unit cost	=	Operating expenditure (less cargo and mail revenue) divided by available seat-km

Scoot

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km
Passenger yield	=	Passenger revenue from scheduled services divided by revenue passenger-km
Revenue per available seat-km	=	Passenger revenue from scheduled services divided by available seat-km
Cost per available seat-km	=	Operating expenditure divided by available seat-km

Group Airlines (Passenger)

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km

SIGNIFICANT EVENTS

2020

Q1
APR
MAY
JUN

05 JUN
Singapore Airlines successfully raises $8.8 billion through 2020 Rights Issue

07 JUN
Singapore Airlines implements enhanced health and safety measures to support customer journey

08 JUN
SIA raises additional $1.2 billion in fresh liquidity through measures including secured long-term loans and new committed lines of credit

09 JUN
Singapore Airlines launches *KrisPay It Forward* to thank frontliners and unsung heroes in the fight against Covid-19

Q2
JUL
AUG
SEP

20 JUL
Singapore Airlines launches *Miles Of Good* campaign to thank essential workers

23 JUL
Singapore Airlines raises an additional $750 million from secured financing

11 AUG
Singapore Airlines partners Temasek Foundation and World Food Programme to support global Covid-19 response

20 AUG
Singapore Airlines and Khoo Teck Puat Hospital collaborate on training services for healthcare professionals

29 SEP
Singapore Airlines launches *Discover Your Singapore Airlines* series of initiatives

Q3
OCT
NOV
DEC

05 OCT
Launch of *SIA@Home* First Class and Business Class meals delivery service

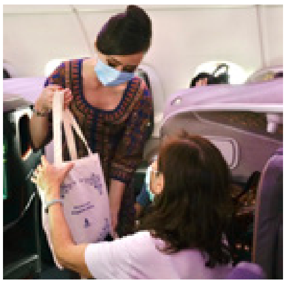
05 OCT
Singapore Airlines launches Star Alliance digital connection service

13 OCT
Singapore Airlines customers get even more options with the all-new Kris+ app

Kris+ by Singapore Airlines

20 OCT
Singapore Airlines announces launch of non-stop services to New York's John F. Kennedy International Airport

24 OCT
Launch of *Restaurant A380 @Changi*



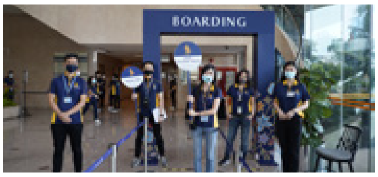
03 NOV
SIA launches the Singapore Airlines Academy to offer training programmes to external organisations

04 NOV
Singapore Airlines obtains Envirotainer QEP accreditation and adds new stations to its THRUCOOL quality corridor network

13 NOV
Singapore Airlines raises $850 million through convertible bond issue

Q3
OCT NOV DEC

21 NOV
Launch of *Inside Singapore Airlines* public tours at the SIA Training Centre



21 NOV
Singapore Airlines launches new short-haul Economy Class meal concept that offers customers a wider range of main courses

24 NOV
Singapore Airlines successfully raises $500 million via a private placement of new 10-year bonds

07 DEC
Singapore Airlines and Vistara deepen commercial partnership

21 DEC
Singapore Airlines delivers first shipment of the Pfizer-BioNTech Covid-19 vaccines to Singapore

23 DEC
Singapore Airlines starts trials on digital verification of Covid-19 test results and vaccination information

2021
Q4
JAN FEB MAR

06 JAN
Singapore Airlines extends PPS Club and KrisFlyer Elite membership statuses and launches new programme features

14 JAN
SIA successfully raised U$500 million via its first US dollar-denominated bond issue

18 JAN
Start of vaccination drive for the SIA Group staff

19 JAN
Singapore Airlines clinches highest Diamond rating in global airline health and safety audit

20 JAN
Singapore Airlines pilots one-stop online solution for Covid-19 pre-departure testing

28 JAN
SIA announces the launch of narrow-body operations in March 2021 with Boeing 737-800 NG services to Phuket

02 FEB
Singapore Airlines transports a shipment of Sinovac Covid-19 vaccines to Indonesia

09 FEB
Singapore Airlines defers over $4 billion in capital expenditure after aircraft delivery agreements with Airbus and Boeing

11 FEB
Singapore Airlines, Scoot and SilkAir operate first flights with a full set of vaccinated pilots and cabin crew

15 FEB
Singapore Airlines delivers the first batch of the Pfizer-BioNtech Covid-19 vaccines to Australia and New Zealand

17 FEB
Singapore Airlines delivers the first shipment of Moderna Covid-19 vaccines to Singapore

19 FEB
Singapore Airlines obtains IATA CEIV fresh certification and launches THRUFRESH

08 MAR
Singapore Airlines becomes the first in the world to pilot IATA's Travel Pass app

RESILIENCE (COVID-19)

Since the start of the financial year, the pandemic has had an unprecedented impact on the aviation industry. Borders between countries remained closed, and travel restrictions grew stiffer across the world as the year progressed. The prognosis for the Company was grim, as passenger traffic reduced to a trickle and Group revenue bottomed out within the first quarter of the year.

However, amid the pain and uncertainty, the pandemic brought out an unwavering resilience in our people, and this manifested in the various ways in which the SIA Group responded to the crisis.

Safeguarding our customers and staff

Regardless of the climate we operate in, robust health and safety standards remain a vital part of our world-class service promise. When the Covid-19 pandemic first hit, the SIA Group took immediate steps to implement a series of health and safety initiatives across various touchpoints of the customer journey. These initiatives, which were based on the advice of medical experts, regulators and partners, as well as feedback from our customers, helped ensure a safe and healthy environment for customers.

Cleaning procedures were stepped up at all premises, including SilverKris Lounges. Every SIA Group aircraft also undergoes an enhanced cleaning process before each flight.

Adjustments were made to in-flight services to minimise contact between crew and customers. Meal services were modified with a one-tray meal service introduced in Business Class. Offers of alcoholic beverages were also reduced. At the height of the pandemic, snack bags replaced normal tray services on selected flights. The Group also began distributing a Care Kit, comprising a face mask, hand sanitiser and a disinfectant surface wipe, to all passengers.

As a testament to the SIA Group's efforts, both Singapore Airlines and Scoot were awarded the Diamond rating – the highest level attainable – in a global audit of airlines conducted by the industry body Airline Passenger Experience Association (APEX) and aviation strategy firm SimpliFlying.

Transforming the travel experience

There is little doubt that the travelling experience would be markedly different in the new operating environment as the world deals with the presence of the Covid-19 virus. What used to be a straightforward flying experience is now layered with strict regulatory checks. Recognising the need to meet these requirements while still delivering the premium flying experience that SIA is known for, the Group reimagined and designed a travel experience to integrate health and safety measures, regulatory requirements and digital initiatives for a seamless end-to-end customer journey.

The Group piloted the International Air Transport Association's (IATA) Travel Pass mobile application for digital health verification, with plans to integrate the entire digital health verification process into the SingaporeAir mobile app using IATA's Travel Pass framework. This service enables customers to securely store and present information related to Covid-19, such as test results and vaccination statuses. Along the

The SIA Group was among the world's first to operate flights with a full complement of vaccinated pilots and cabin crew across its three airlines.

same vein, the Group also embarked on a pilot project with Collinson to launch a one-stop online solution for Covid-19 pre-departure testing, where customers can book their test and receive their results through an online portal.

The Group also introduced several smart travel initiatives to create a streamlined and contactless travel experience for the customer. These include features such as mobile boarding passes, an electronic food ordering system in the SilverKris Lounge, digital in-flight menus and an e-Library in lieu of physical copies on board the aircraft, and a baggage self-service portal for customers to receive updates and submit claims for lost or delayed bags.

Finding new ways to generate revenue

During a time when most aircraft were grounded and air travel remained muted, the SIA Group pivoted to find new ways to generate non-flying revenue growth.

Kris+, an all-new app that brings payment, lifestyle and rewards services together in one platform for its customers, was launched during the year. Singapore Airlines also embarked on partnerships that deliver greater value to members of the KrisFlyer loyalty programme. This includes an agreement with CapitaLand, Singapore's largest retail operator, to introduce a new rewards partnership that benefits the membership programmes of both companies. The Group also rolled out Pelago, a travel-planning and booking platform, to widen the variety of products and services it can offer to its customers.

The SIA Group also launched the Singapore Airlines Academy - a new arm that offers training programmes to external businesses and organisations in the areas of service excellence, operational excellence, organisational innovation, and digital transformation. Comprising trainers drawn from divisions such as Cabin Crew and Flight Operations, the Singapore Airlines Academy bases its training curriculum on the Company's wide range of globally recognised skills and competencies, and taps on its experienced staff in delivering these programmes.

Doing our part in the ongoing battle against Covid-19

At the height of the pandemic, flights rostered for our cabin crew were far and few between. In response, the SIA Group worked with various government agencies to launch its ambassador programmes. The programme kicked off with the deployment of our cabin crew to hospitals as care ambassadors, where their duties included supporting healthcare workers in patient care. The scheme then expanded to include transport ambassadors and social service ambassadors, where our crew ensured safe distancing among commuters at train stations and assisted with processing Covid-19 support grants respectively.

More than 2,000 SIA staff have worked as ambassadors during this time, allowing them to support the fight against Covid-19 at the frontlines during a time of reduced operations.

When Covid-19 vaccines became

Photo Credit: Alexandra Hospital

RESILIENCE (COVID-19)

SIA cabin crew stand ready to welcome customers on board the Restaurant A380 @Changi experience.

available, the Group played an instrumental role in the monumental task of delivering them around the world. Months before the vaccines were ready, SIA Cargo worked hard to ensure operational readiness for the safe and timely transportation of these time- and temperature-sensitive pharmaceutical shipments.

Between December 2020 and February 2021, SIA Cargo delivered the first Singapore-bound shipments of Pfizer-BioNTech and Moderna Covid-19 vaccines, as well as the first Pfizer-BioNTech Covid-19 vaccines to Australia and New Zealand. SIA also delivered a shipment of Sinovac Covid-19 vaccines to Indonesia. SIA Cargo also supported the global Covid-19 vaccine distribution for COVAX through UNICEF's Humanitarian Airfreight Initiative. This allowed it to provide safe, reliable and timely transportation of Covid-19 vaccines to communities in need around the world.

Tapping on our network and cargo expertise, the SIA Group facilitated the delivery of medicine, medical equipment and food supplies to Singapore and around the world. This included the delivery of humanitarian relief around the world in partnership with Temasek Foundation and the World Food Programme, as well as the delivery of medical supplies such as oxygen concentrators and ventilators to India when it suffered a shortfall of these items due to the pandemic.

We were also among the first in the industry to vaccinate our frontliners, including cabin crew and pilots, providing added safety and reassurance for both our customers and staff. On 11 February 2021, Singapore Airlines, SilkAir and Scoot became among the first carriers in the world to operate flights with a full complement of vaccinated pilots and cabin crew.

Retaining strong brand resonance with the public

It was a challenge for the Airline to maintain high levels of engagement with the public during a time when most of its customers could not travel. However, there was still a need to sustain strong public engagement and this had to be done through several innovative initiatives.

SIA launched *Discover Your Singapore Airlines*, offering the public a suite of unique experiences - *Restaurant A380 @Changi*, *Inside Singapore Airlines* and *SIA@Home* - that delivered the signature SIA experience without having to take off.

Restaurant A380 @Changi offered an exclusive dining experience with SIA's award-winning service inside the Airbus A380, where customers could experience an in-flight dining experience complete with in-flight entertainment via *KrisWorld*.

Inside Singapore Airlines, held over two weekends during the November school holidays, provided an exclusive tour of SIA's training facilities with a wide range of activities for the entire family. Over 2,000 visitors came for the tours, where they learnt about SIA's history and had an exclusive insight into the intensive training undertaken by the Airline's pilots and cabin crew.

SIA@Home was created for customers who were keen to enjoy the SIA in-flight dining experience in the comfort of their own home. Customers were able to choose from 10 menus featuring exclusive First Class and Business Class meals, and recreate the Airline's renowned onboard experience.

These experiences were met with overwhelming response from the public, and strengthened our engagement with the public in a meaningful and positive manner.

Keeping the SIA spirit strong

At the heart of it all, it was the unflagging dedication of our people that kept the Company going through the worst of the crisis.

At the onset of the pandemic, staff from various departments voluntarily came forward to assist at the contact centres, ticketing offices, and social media units, which were overwhelmed by high volumes of customers' queries.

A Covid-19 task force was also set up to ensure that all necessary information was clearly communicated to customers. The task force, comprising staff from various functions, worked tirelessly to put in place measures such as the Covid-19 Information Centre on the SIA website, where customers can easily access information on updated travel advisories, refund and rebooking policies, as well as health and safety measures.

When work-from-home requirements became mandatory in Singapore, our staff adapted quickly to new work arrangements and schedules without disruptions to productivity. Staff also made use of opportunities provided by the Company to pursue additional training or upskilling to remain relevant and competitive in the post-Covid-19 operating environment.

The Group also set up a one-stop Employee Support Portal to provide resources for those whose livelihood were badly impacted and needed financial relief. During the challenging period, SIA worked with banks and government agencies to offer financial relief channels for our staff.
The Airline waived the exclusive service requirements for certain groups of staff so that they could secure supplementary income through other means.

Paving the way ahead

In the coming years, the Group will renew its efforts in its latest Transformation chapter. The three pillars - World-class Leader, Financial Sustainability, as well as Dynamic and Resilient Team – provide a blueprint for change that is even more urgent due to the severity of this crisis, and will help to strengthen our foundations in the new environment.

The road to recovery is uncertain, and there will be obstacles and setbacks along the way. However, our staff have been, and will always remain, extremely vigilant and unfazed in face of any potential crisis. This past year has taught us many lessons, including the need to be nimble and flexible as the situation changes rapidly and abruptly. We have been preparing for recovery, and will be ready to be first off the blocks when it comes.

Young visitors tried their hand at sculpting balloons with SIA staff at the Inside Singapore Airlines event.

OUR TRANSFORMATION JOURNEY

LEAD THE NEW WORLD - A NEW TRANSFORMATION CHAPTER

The Covid-19 pandemic has had a far-reaching impact on the aviation industry and continues to challenge the sector in unprecedented ways. To overcome these challenges and thrive in a post-Covid-19 world, Singapore Airlines (SIA) must take a fundamental relook at its business and reinvent itself to stay ahead.

In FY2020/21, SIA launched a new three-year Transformation programme that provides a blueprint for the organisation to pivot into the future and emerge stronger from the crisis. The new chapter aims to bolster SIA's resilience and agility as it navigates through the uncertainties, and seize growth opportunities in the new and fast-changing aviation environment.

The Transformation programme focuses on three key areas:

1. World-class leadership in the new world

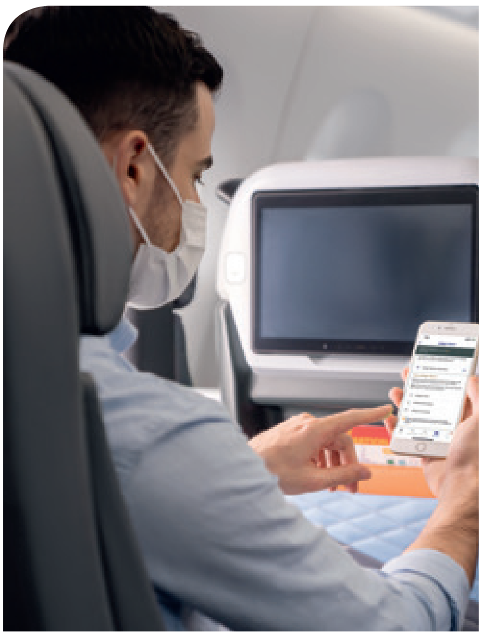
SIA remains committed to constantly enhancing its brand promise in product quality and service excellence. It aims to deliver best-in-class product and service delivery experiences that are aligned to customers' needs and expectations in the new normal.

Through our internal customer research studies, SIA identified two new priorities: health and safety measures, and delivering a seamless travel experience. We have since embarked on numerous initiatives to safeguard our customers' well-being and reduce friction across the customer journey.

Since the start of the pandemic, the Airline has also conducted an extensive review of over 100 touchpoints across the customer journey to assess if the measures adequately alleviate travellers' concerns. In January 2021, SIA received a 'Diamond' rating in the APEX Health Safety powered by SimpliFlying audit of global airlines, which is an affirmation of our unwavering commitment to safeguard the well-being of our customers and staff in all areas of our operations.

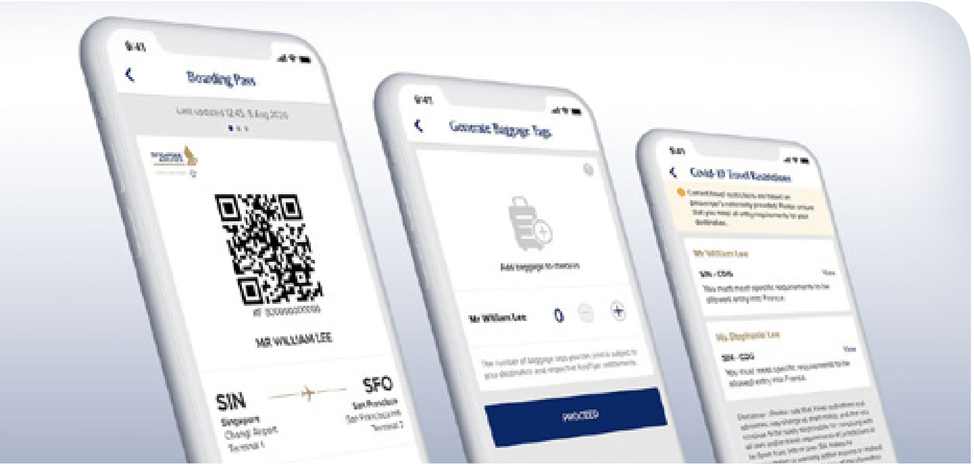
SIA will also continue to strengthen its digital capabilities to enhance its core offerings and operational resilience. Leveraging technology, SIA introduced new solutions such as personalised information on travel restrictions, contactless baggage tags printing services, electronic lounge menu ordering, complimentary reading materials from the SingaporeAir mobile app's e-Library, and the ability to control the *KrisWorld* in-flight entertainment system from mobile devices. These enhancements are some of the many meaningful innovations that quickly came to the forefront to meet operational and customer needs amid the pandemic.

Establishing itself as a digital leader, SIA is also the first airline in the world to offer a new pilot service for the digital verification of Covid-19 test results and vaccination information. This is based on the IATA's Travel Pass framework, which allows travellers to manage their travels easily and securely via a mobile application.



EMERGING STRONGER

SIA is driving innovation to pursue new revenue opportunities and achieve cost efficiencies to strengthen its leadership position for the future.



2. Regaining financial sustainability

To ensure financial sustainability, SIA has embarked on wide-ranging initiatives to strengthen its revenue generation capabilities and achieve a more competitive cost base for the future.

These focus on driving innovation to deliver cost efficiencies without compromising on the customer experience. Examples include accelerating digital investments to optimise business processes, working with strategic partners to drive greater efficiency, reducing waste, and increasing organisational agility to boost productivity.

SIA also looked at broadening its portfolio with new revenue streams and businesses, and staying innovative to optimise any revenue opportunities. In November 2020, SIA created the Singapore Airlines Academy, a new arm that offers training programmes in the broad areas of service excellence, operational excellence, organisational innovation, and digital transformation to external businesses and organisations.

The academy allows SIA to leverage the wide range of globally recognised skills and competencies that exists within SIA, which has enabled the Airline to establish a pre-eminent position in a highly competitive industry. The Singapore Airlines Academy is also a strategic move for the SIA Group, and has the potential to add a new source of revenue in the coming years.

3. Developing our people to build a future-ready workforce

SIA will continue to develop its workforce and ensure that all staff are equipped with skills to remain future-ready. An intensive digital training curriculum, which had been pivotal to the success of our previous transformation, will continue to be heavily emphasised. Upskilling in other areas such as a solutioning mindset, resilience, and change management, will also be introduced to equip staff with the necessary tools to cope with a constantly evolving environment.

FORGING AHEAD

Despite the uncertainties, SIA remains steadfast and agile while forging ahead on many fronts. Transformation will be an ongoing process, and it will need to be entrenched in the mindset of our people and across our operations in the years to come.

SIA has received the unwavering trust and support from its shareholders, customers, partners, and the Singapore government throughout this challenging period. Layering on the strong foundation laid in the earlier Transformation programme and with our resilient people who embody the SIA spirit, we are on solid footing to emerge from this crisis in a position to lead the new world.

OUR STRATEGY FOR THE FUTURE

1. PORTFOLIO

The Singapore Airlines (SIA) Group continues to adopt a portfolio strategy, in which it has investments in both full-service and low-cost airlines. The integration of SilkAir's narrow-body operations with Singapore Airlines began with the first SIA Boeing 737-800 NG aircraft deployed to Phuket on 4 March 2021. The integration will deliver greater economies of scale for the Group, and enhance the flexibility of aircraft deployment to meet the demand for air travel as it returns.

2. MULTI-HUB STRATEGY

A multi-hub strategy allows the SIA Group to extend its reach and tap on new traffic flows by investing in airlines outside of Singapore. The investment in Vistara enables the Group to have a presence in India. While international operations planned under Air Travel Bubble arrangements are being pursued, Vistara's domestic operations have resumed to 70% of pre-Covid-19 capacity in March 2021. In the same month, the airline also achieved a 65% passenger load factor. Vistara's fleet growth plans remain on track, recording 47 aircraft as at 31 March 2021, and the airline is expecting the number to increase to 70 by mid-2023.

3. NEW BUSINESS INITIATIVES

SIA continues to actively pursue new engines of revenue growth, as well as initiatives to achieve a more competitive cost base.

Building on its revamp from an airline sales catalogue to an omnichannel lifestyle e-commerce platform for all customers, KrisShop grew its sales 121% year-on-year in its pivot to cushion the loss of travel retail. The year in review also saw traffic to KrisShop.com grow 120% year-on-year, with the average transaction value recording 25% higher year-on-year.

On the loyalty programme front, KrisFlyer, the SIA Group's loyalty programme, continued to expand its global membership base in FY2020/21 despite low flying activity. Driven by the global border closures, KrisFlyer pivoted and offered members more ways to utilise their KrisFlyer miles through varied non-air redemption offerings on a regular basis during the year.

KrisPay, the SIA Group's digital wallet, was rebranded as Kris+ in October 2020. This brought payment, privileges, lifestyle and rewards services together on a new and improved platform for the SIA Group customers. Kris+ also expanded beyond Singapore with the launch of Kris+ privileges in Indonesia and India, with partner privileges in more countries to be launched progressively. As of 31 March 2021, there are more than 230 Kris+ partners with over 800 outlets across Singapore.

In November 2020, in a strategic move for the SIA Group, SIA created the Singapore Airlines Academy, a new arm that offers training programmes in the broad areas of service excellence, operational excellence, organisational innovation, and digital transformation to external businesses and organisations.

During the year in review, SIA Cargo's new blockchain-based e-commerce logistics platform, Parxl, welcomed its first business-to-business customers. Parxl is designed to meet the international shipping needs of e-retailers by offering a seamless and fast cross-border delivery experience right to the consumer's doorstep. The platform provides merchants with end-to-end visibility of shipped packages, and access to SIA's global airfreight network and portfolio of regional delivery specialists, while functioning as a singular touchpoint for all partners along the supply chain.

Another revenue stream which complements our core airline business is Pelago, an online travel experiences platform created by SIA. The product allows users to centralise trip discovery, conduct activity booking and itinerary management through inspiring content.

The beta version of Pelago was launched in October 2020 and continues to evolve its offering. As travel gradually reopens, Pelago looks towards expanding internationally across the Asia-Pacific and eventually to wherever SIA flies to.

4. STRENGTHENING PREMIUM POSITIONING

Service Excellence

SIA remains committed to providing customers with a seamless travel experience through the use of digital solutions. This is especially important in a year where Covid-19 has brought about many disruptions to travel.

A Covid-19 communications taskforce was set up in 2020 to ensure customer communications is reinforced in a period where travel requirements change quickly. The taskforce initiated the Covid-19 Information Centre on Singaporeair.com, providing accurate and timely travel information, and allowing customers to book confidently and travel safely.

Several digital initiatives were also launched in FY2020/21 to provide SIA's customers with a seamless travel experience during the pandemic.

SIA introduced a feature on Singaporeair.com and its SingaporeAir mobile app where customers can retrieve the latest entry and transit requirements based on their travel itinerary and nationality. A subscription service was rolled out for customers who wish to receive email notifications on the latest changes to travel requirements.

In August 2020, SIA introduced a contactless electronic menu (e-Menu) application in its SilverKris Lounge in Singapore. The platform allows customers to view the menu, place orders, and receive alerts for self-collection of their orders via a web application.

A baggage self-service portal was also launched on Singaporeair.com in August 2020 to eliminate the need for customers to queue and create manual reports at the airport's Lost & Found counters. This enables customers to view the delayed bag report at their convenience, and receive scheduled updates on the status of their bags. They can also submit claims and evaluate settlements through the portal, allowing for a much more seamless resolution process for customers.

With Covid-19 test results and potentially vaccination statuses expected to become an integral part of air travel requirements, SIA started conducting trials on digital health certificate verification in December 2020 using the International Air Transport Association (IATA) Travel Pass framework. This service was first offered to customers travelling on flights operated by SIA from Jakarta or Kuala Lumpur to Singapore, and enabled them to securely store and present information related to Covid-19 tests.

In March 2021, SIA became the world's first airline to pilot the IATA Travel Pass mobile application when it was offered for passengers travelling from Singapore to London. By consolidating the verification of health credentials into a single application, participants can expect a faster and more seamless check-in process. Participants will have full control over how their personal information is shared, as the data is stored locally in the mobile phone and not in any central database.

As a testament to the SIA Group's efforts, both Singapore Airlines and Scoot were awarded the Diamond rating – the highest level attainable – in a global audit of airlines conducted by the industry body Airline Passenger Experience Association (APEX) and aviation strategy firm SimpliFlying. This is an affirmation of the unwavering commitment to safeguarding the well-being of customers and staff in all areas of operations.

OUR STRATEGY FOR THE FUTURE

Product Leadership

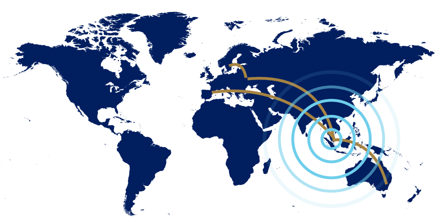
The Airline continues to invest in key infrastructural initiatives in preparation for recovery. Development works for the SilverKris Lounge and KrisFlyer Gold Lounge in Singapore Changi Airport Terminal 3 are ongoing, with completion scheduled for around end-2021. The new lounges will feature enhanced hygiene and safety measures, upgraded facilities, a 30% increase in space, as well as a newly curated selection of food and beverages.

SIA remains committed to the continuous enhancement of its product offerings. From 1 December 2020, SIA and SilkAir launched its new Economy Class meal concept on selected flights under 3.5 hours. This provides customers with a greater variety of Singaporean and international main courses on these flights, including more than 40 new dishes such as Singaporean favourites congee, *laksa* and gravy-rich *mee siam*.

These meals come in a new leak-proof box and cup made of Forest Stewardship Council (FSC) certified paper, and a cutlery pack made of bamboo with a paper wrap. The new packaging helps reduce single-use plastics on the tray by 80% in weight, resulting in fuel savings.

The new meal concept was developed jointly by SIA and SATS, the Airline's Singapore-based catering partner. After reviewing potential pain points and identifying areas of improvement in the current short-haul in-flight experience, the companies delved into months of research and development to come up with a box that is both versatile and eco-friendly, and yet maintains taste and meal quality.

SIA is also dedicated to maintaining a modern fleet. In FY2020/21, the Airline took delivery of seven Airbus A350-900 aircraft. As at 31 March 2021 SIA has 87 aircraft on firm order including 12 Airbus A350-900s, 31 Boeing 777-9s, 13 Boeing 787-10s and 31 Boeing 737-8 MAX which were transferred from SilkAir. Operating new generation aircraft will enable the SIA Group to continue offering greater comfort and innovative products to customers, further drive operating efficiency, and support ongoing efforts to materially lower carbon emissions.



Network Connectivity

During the year in review, the Group began to rebuild its passenger network and increase capacity in a safe and calibrated manner by resuming services to some destinations, and adding frequencies to some existing points. As a result, the passenger network reached 23% of pre-Covid-19 levels[1] by March 2021.

The full integration of SilkAir's network with Singapore Airlines will be completed in 2021. At 31 March 2021, SIA served 47 destinations. SilkAir served five destinations, while Scoot's network covered 18 destinations. By the end of the financial year, the Group's passenger network covered 60 destinations including Singapore.

The Airline is expecting travel and vaccination corridors to be the way forward in the near term, and the SIA Group will stay nimble and flexible as it navigates the headwinds in the rebuilding of its network in the new normal.

[1] Compared to the capacity in January 2020, before the onset of the Covid-19 pandemic.

CHAIRMAN's LETTER TO SHAREHOLDERS

This has been the singularly most challenging year in the history of Singapore Airlines (SIA).

Beset by the onslaught of the Covid-19 pandemic, which began to spread worldwide in February 2020, we started this financial year dealing with an unprecedented shutdown of global borders as countries sought to limit the spread of the virus in their populations. International air travel jarred to a halt, virtually all passenger traffic evaporated, and the SIA Group had to cope with an escalating crisis that affected every part of our business.

One year on, despite the growing pace of vaccination exercises around the world, the situation has not abated. Successive waves of infections ripple across the world, and more virulent strains have emerged over the course of the 12 months.

Our early priority was to shore up our liquidity. We acted decisively to engage our shareholders, and successfully raised $8.8 billion through the 2020 Rights Issue. We subsequently added a further $6.6 billion of fresh liquidity through various sources including secured financing, bond issuances, and aircraft sale-and-leaseback transactions. In June 2021, we raised a further $6.2 billion through the Rights 2021 Mandatory Convertible Bond issuance. The Group has $2.1 billion in committed lines of credit that we can also tap on, and the headroom for more fundraising, if necessary.

This makes the SIA Group the best capitalised airline group in the world, giving us the financial foundation to navigate the ongoing crisis with confidence, make the necessary investments for growth, and secure our industry-leading position in the new normal.

We also took steps to swiftly cut expenditure. We deferred non-essential capital expenditure, imposed tight controls on discretionary spending, deferred non-critical projects, renegotiated contracts with suppliers, implemented staff measures such as an early retirement scheme, a voluntary release scheme, and salary cuts, and deferred more than $4 billion of capital expenditure through measures including agreements with aircraft manufacturers.

Various human resources measures allowed the Group to reduce its headcount by around 1,900 without job cuts. However, in October 2020, the Group had to take the extremely painful step of releasing around 2,000 staff to align the headcount with future requirements. The staff rationalisation exercise was conducted in a fair and respectful manner, and the Group did its best to ensure that the affected colleagues received the support they needed.

One bright spot this year was SIA Cargo, which posted a 39% increase in cargo flown revenue. This was driven by both higher yields due to a shortage of freight capacity, as well as strong demand in segments such as e-commerce, pharmaceuticals and electronics. The cargo business also played an instrumental role in the battle against Covid-19. SIA helped keep supply lines open for essential items such as fresh food at the height of the pandemic, and has become an airline of choice for the safe, reliable and timely transportation of Covid-19 vaccines, as well as other pharmaceuticals and essential medical supplies, globally.

CHAIRMAN's LETTER TO SHAREHOLDERS

During the year, the Group continued to find ways to diversify revenue streams, reimagine its products and services, and engage with its customers and supporters.

In October 2020, we rolled out the all-new Kris+ mobile application that brings together payment, lifestyle and rewards services in one platform for its customers. We also introduced Pelago, a travel-planning and booking platform. The new Singapore Airlines Academy offers external training programmes in myriad areas including service and operational excellence.

During a time of limited travel, SIA also retained strong brand resonance with customers. In October 2020, we launched the *Discover Your Singapore Airlines* suite of experiences to increase customer engagement. *SIA@Home, Restaurant A380 @Changi* and *Inside Singapore Airlines* were a tremendous success with the Singapore public.

Robust health and safety measures that safeguard the well-being of our customers and staff continue to be a focus. At the start of the pandemic, the Group undertook a comprehensive review of the entire customer journey to enhance measures where necessary, and introduce new ones to further mitigate risks. These efforts were recognised with both SIA and Scoot being awarded the Diamond certification in the Airline Passenger Experience Association (APEX) Health Safety powered by SimpliFlying audit of global airlines.

To further protect our staff and provide reassurance to customers, the SIA Group airlines were among the first in the industry to vaccinate its frontliners, including cabin crew and pilots. Today, around 97% of the eligible frontliners have received both doses of their vaccines. On 11 February 2021, SIA, Scoot and SilkAir also became among the first carriers in the world to operate flights with a full complement of vaccinated pilots and cabin crew.

The Group was also at the forefront of efforts to implement digital technologies that will be essential to the recovery of the airline industry. In March 2021, SIA became the world's first airline to pilot the International Air Transport Association's (IATA) Travel Pass mobile application for digital health verification. SIA and Scoot also piloted a one-stop online digital solution for Covid-19 pre-departure testing. These initiatives provide customers with a seamless and easy experience in the new environment.

We kicked off the integration of SilkAir's narrow-body operations with SIA in March 2021, when the first SIA Boeing 737-800 NG aircraft began services to Phuket. The integration will be completed this year, offering customers greater consistency in product and service across the Group's premium network.

Our new Transformation programme has made good progress despite the disruptions. It aims to drive digital leadership and excellence in product and services while prioritising health and safety measures. We will also actively pursue new engines of revenue growth, and initiatives to achieve a more competitive cost base to secure our financial sustainability.

We have also worked hard to retain our talented people, who are essential to delivering the world-class service that Singapore Airlines is renowned for. In April 2021, the Airline launched UPLIFT, an upskilling plan focused on capabilities critical to a future-ready workforce. This will help our people to remain adaptable, resilient and flexible in a much-changed future.

The last year has taught us that the road ahead is fraught with uncertainties, and the recovery from Covid-19 will be patchy and uneven. Our strong operational and financial foundations, the investments in our products, services, and capabilities as we navigate this crisis, and our world-class brand and customer loyalty, give us the confidence that we will emerge stronger.

On behalf of the Board, I would like to express our appreciation to the Singapore government, all shareholders, and our customers for their continuous strong support. I would also like to thank our staff for their unwavering resilience and commitment.

PETER SEAH
Chairman

BOARD OF DIRECTORS

PETER SEAH LIM HUAT

Chairman

Mr Seah is the Chairman of DBS Bank Ltd, DBS Group Holdings Ltd, Singapore Health Services Ltd and LaSalle College of the Arts Limited. A banker for more than 30 years, Mr Seah was with the former Overseas Union Bank between 1977 and 2001, retiring as Vice-Chairman and CEO. Prior to that, he was with Citibank N.A. Between December 2001 and December 2004, Mr Seah served as President and CEO of Singapore Technologies Pte Ltd. Mr Seah was awarded the Distinguished Service Order in 2012 and the Public Service Star (Bintang Bakti Masyarakat) in 1999.

GOH CHOON PHONG

Director and Chief Executive Officer

Mr Goh joined Singapore Airlines Limited in 1990 and has held senior management positions in various divisions in Singapore and overseas, ranging from Marketing to Information Technology to Finance and Cargo. Prior to his appointment as Chief Executive Officer, Mr Goh was Executive Vice President for Marketing and the Regions and also served as President of Singapore Airlines Cargo Pte Ltd, from 2006 to 2010, Senior Vice President Finance, from 2004 to 2006, and Senior Vice President Information Technology, from 2003 to 2004. Mr Goh is also Chairman of Budget Aviation Holdings Pte Ltd, which owns and manages Scoot, and a Director of SIA Engineering Company Limited and Mastercard Incorporated. Mr Goh is also a member of the Board of Governors of the International Air Transport Association and was its Chairman between June 2017 and 2018, the National University of Singapore Board of Trustees, and the MIT Presidential CEO Advisory Board which is made up of CEOs from leading companies in a variety of industries around the world.
He was a Board Member of Mount Alvernia Hospital, from 2006 to 2015, Virgin Australia Holdings Limited, from 2014 to 2015 and a member of the Executive Committee of the Association of Asia Pacific Airlines, from 2018 to 2020. Mr Goh was the 2015 recipient of the Centre for Aviation's *Asia-Pacific Airline CEO of the Year Award*. In 2016, he received the *CEO Lifetime Achievement Award* from the Airline Passenger Experience Association as well as the *Eisenhower Global Innovation Award* from the Business Council for International Understanding. He was also named the *Outstanding Chief Executive Officer of the Year* in the Singapore Business Awards 2017, in 2018 was named *Person of the Year* by Orient Aviation magazine, and in 2019 was named *Best Chief Executive Officer* for companies with $1 billion or more in market capitalisation at the Singapore Corporate Awards.

GAUTAM BANERJEE

Director

Mr Banerjee is a Senior Managing Director of Blackstone Group and the Chairman of Blackstone Singapore. He was with professional services firm, PricewaterhouseCoopers ("PwC") Singapore for over 30 years, including as its Executive Chairman for Singapore and in various leadership positions within the firm in India and the Asia Pacific region. Mr Banerjee retired from PwC Singapore on 31 December 2012. Apart from his executive role in Blackstone, he serves as Chairman of raiSE and is a Board Member of Piramal Enterprises Limited, India, Singapore Telecommunications Limited, and GIC Private Limited. He was the Chairman of the Listings Advisory Committee of the Singapore Exchange and served on the Board of The Indian Hotels Company Limited, Singapore Business Federation Council, Corporate Governance Council of the Monetary Authority of Singapore, Companies Act Reform Steering Committee, and the Economic Strategies Committee chaired by the Finance Minister of Singapore from 2009 to 2010. Mr Banerjee was a Nominated Member of Parliament in Singapore between 2007 and 2009. In 2014, Mr Banerjee was awarded the Public Service Medal by the Singapore Government and an Honorary Doctor of Laws by the University of Warwick, England.

BOARD OF DIRECTORS

SIMON CHEONG SAE PENG

Director

Mr Cheong is the Founder and Chairman of SC Global Developments Pte Ltd, a leading luxury high-end residential developer in Singapore. He has more than 39 years of experience in real estate, banking and international finance. Mr Cheong established SC Global in 1996 as a real estate and hotel advisory and direct investment group, specialising in structuring large and complex transactions worldwide. He is also the Chairman and majority shareholder of AVJennings Limited. Mr Cheong previously was with Citibank (Singapore) as Head of Real Estate Finance for Singapore and with Credit Suisse First Boston as Regional Real Estate Head for Asia. Mr Cheong previously served as a Board Member of Republic Polytechnic, Singapore Turf Club, Singapore Dance Theatre and Raffles Girls' Secondary School. He was also a Council Member of the Singapore Business Federation, and served two terms as President of the Real Estate Developers' Association of Singapore.

DAVID JOHN GLEDHILL

Director

Mr Gledhill was the Group Chief Information Officer as well as Head of Group Technology & Operations at DBS Bank, before his retirement from the bank in August 2019 after 11 years of service. Prior to joining DBS, he was with JP Morgan for more than 20 years, holding senior regional positions in Technology & Operations in Singapore, Tokyo and London. His last role at JP Morgan was as Managing Director and Head of Investment Bank Operations Asia. Before joining JP Morgan, Mr Gledhill was with British Telecom in the UK, holding various roles in software and hardware design. He is Advisor to a number of organisations in Singapore and overseas. Mr Gledhill is a Board Member of National University of Singapore Institute of Systems Science. He was a Director of Singapore Clearing House Pte Ltd, served as Board Advisor to Singapore Management University School of Information Systems and a past member of the IBM Advisory Board and the National Super Computing Centre Steering Committee. In 2017, Mr Gledhill was the recipient of the Massachusetts Institute of Technology Sloan CIO Leadership Award, becoming the first CIO from an Asian company to have won.

GOH SWEE CHEN

Director

Ms Goh is the former Chairman of the Shell group of companies in Singapore. She retired from Shell in January 2019 after 16 years of service. She held senior roles with Shell since 2003 and had worked in Singapore, China and the Netherlands. Prior to joining Shell, Ms Goh was with Procter & Gamble for 14 years and was assigned to Malaysia, Japan and Singapore, and before that with IBM Australia and USA. A Justice of the Peace, Ms Goh is the Chairman of the Institute for Human Resource Professionals, the National Arts Council, and Nanyang Technological University. She is also the President of Global Compact Network Singapore, Director of CapitaLand Limited, Singapore Power Limited, and Woodside Petroleum Ltd. Ms Goh was conferred the Chicago Booth Distinguished Alumni Award in 2018 from the University of Chicago Booth School of Business.

DOMINIC HO CHIU FAI

Director

Mr Ho is the Chairman of DBS Bank (China) Limited. He began his career as an auditor with KPMG in 1975 in the US city of Houston, covering a wide range of industries. He retired in 2007 as Co-Chairman of KPMG, China and Hong Kong. During his career with KPMG, Mr Ho was regarded as its China business specialist. He advised on China's offshore oil industry, participated in the formation of China's taxation system, was involved in initial public offerings (IPOs) of Chinese companies, and assisted foreign companies with their investments in China. In the 1990s, he was commissioned by the Chinese Government to lead a team to perform a feasibility study of the Chinese aviation industry aimed at restructuring it ahead of the launch of airline IPOs. Mr Ho is currently a Director of DBS Bank (Hong Kong) Limited, Hang Lung Properties Limited, and Underwriters Laboratories Inc. He is also a past Member of the Corruption Prevention Advisory Committee of Hong Kong's Independent Commission Against Corruption, and a past Member of Hong Kong's Insurance Advisory Committee.

HSIEH TSUN-YAN

Director

Mr Hsieh is the Chairman and Lead Counselor of LinHart Group, a leadership solutions firm founded by Mr Hsieh in 2008. Mr Hsieh has extensive experience in business strategy, leadership development and corporate transformation. He was with management consulting firm, McKinsey & Company, for 28 years and held posts in Singapore, Toronto and Copenhagen. He holds a joint appointment as Professor (Practice) at the National University of Singapore Business School and the Lee Kuan Yew School of Public Policy. His past Board roles include Bharti Airtel Limited, India; Sony Corporation, Japan; the Singapore International Foundation; Duke-NUS Medical School, Singapore; the Singapore Symphony Orchestra; Covenant House Canada and the University Health Network Foundation in Toronto.

LEE KIM SHIN

Director

Mr Lee is a lawyer and a Partner of Allen & Gledhill LLP. He has been with Allen & Gledhill for more than 30 years, with six years spent as its Managing Partner. Mr Lee was appointed Senior Counsel in January 2015. He is a Member of the Governing Board of Duke-NUS Medical School Singapore and a Member of the main committee of the Yellow Ribbon Fund. Mr Lee is the Chairman of Allen & Gledhill Regulatory & Compliance Pte Ltd, and a Director of Eastern Development Holdings Pte Ltd, Eastern Development Private Limited, Epimetheus Limited, Singapore Power Limited, Singapore Institute of Legal Education, and Goh Foundation Limited.

JEANETTE WONG KAI YUAN

Director

Ms Wong has over 35 years of experience in financial services. Until her retirement from DBS Bank in March 2019, Ms Wong was DBS Bank's Group Executive responsible for the Institutional Banking Group which encompassed Corporate Banking, Global Transaction Services, Strategic Advisory, and Mergers and Acquisitions. Prior to that, she served as Chief Financial Officer of DBS Group between 2003 to 2008. Ms Wong's career began in 1982 at Banque Paribas. She moved to Citibank in 1984 before joining JP Morgan in 1986. She was at JP Morgan for 16 years. During her tenure at JP Morgan, she had regional responsibilities for the Global Markets and Emerging Markets Sales and Trading business in Asia and was also JP Morgan's head for Singapore between 1997 to 2002.

OPERATING REVIEW

THE YEAR IN REVIEW

The Singapore Airlines (SIA) Group reported a net loss of $4,271 million for the 2020/21 financial year.

The Group swung into an operating loss of $2,513 million in FY2020/21, a reversal of $2,572 million from the $59 million operating profit recorded the previous year, largely attributable to the plunge in passenger traffic due to the Covid-19 pandemic and the consequent global restrictions on international travel.

Group revenue fell by $12,160 million year-on-year to $3,816 million due to lower passenger flown revenue across the three passenger airlines within the Group.

Group expenditure came in at $6,329 million, down $9,588 million. Net fuel cost fell $3,620 million to $1,016 million due to capacity cuts and lower fuel prices in the first half of the year.

OPERATING PERFORMANCE

During the year in review, passenger traffic (in revenue passenger-kilometres) for Singapore Airlines declined by 97.5%, while yield increased 109.0%. Passenger load factor for the Airline declined by 68.5 percentage points to 13.4%.

Despite the capacity crunch led by loss of bellyhold capacity, cargo flown revenue remained strong during the financial year and saw an increase in 38.8% year-on-year. Cargo yield increased 116.1%, partially offset by cargo load (in load tonne-kilometres), which saw a decrease by 35.6%.

Passenger carriage and passenger load factor for SilkAir decreased 98.9% and 40.8 percentage points respectively. Scoot reported a 99.2% decrease in passenger carriage and its passenger load factor decreased by 75.8 percentage points to 9.9%.

OUTLOOK

Despite the resurgence of Covid-19 infections in many parts of the world, the growing pace of mass vaccination exercises in key markets provides hope for further recovery in international air travel demand in the second half of 2021. SIA strongly supports all efforts to further open borders in a safe and calibrated manner. The Group expects to continue with a measured expansion of the passenger network, and will remain nimble and flexible in adjusting capacity to meet the demand for air travel.

Strong fundamentals continue to drive air cargo demand, with healthy Purchasing Managers' Index readings across many key export economies. Demand from the e-commerce and pharmaceutical segments, among others, remains robust. SIA is well positioned to capture more Covid-19 vaccine shipments into the Asia-Pacific region as vaccine production ramps up and exports grow.

SIA's new Transformation programme has made good progress in its first year despite the headwinds from the Covid-19 pandemic. With a commitment to deliver on its brand promise in product quality and service excellence, the Company has pressed on with a suite of initiatives to enhance customer experience, focusing on measures to safeguard customers' well-being and reduce friction across the travel journey. SIA will continue to progress its digital transformation journey, prioritising the enhancement of its core offering and increasing its operational resilience.

SIA is also actively pursuing new engines of revenue growth, as well as initiatives to achieve a more competitive cost base to secure its future financial sustainability. The Group will continue to exercise discipline on costs and cash management.

The Group is grateful to have received strong support from its shareholders, lenders, investors, and the Singapore government, to raise capital, provide liquidity and to manage costs. We are thankful to our customers who continue to support us, and to our staff for their sacrifices and staying resilient. The Group is committed to working closely with key stakeholders within the aviation ecosystem to navigate through the ongoing crisis and emerge stronger.

In view of the significant losses incurred and the need to conserve cash, the Board of Directors is not proposing a final dividend for the financial year ended 31 March 2021.

OPERATING REVIEW

NETWORK

The Covid-19 pandemic severely curtailed the demand for international air travel in FY2020/21, resulting in a significantly scaled back passenger network for the SIA Group. At the start of the year, the Group operated only 3% of its pre-Covid-19 capacity[1] in April 2020 and served a skeletal network to only 18 destinations in response to global border closures and travel restrictions. This smaller network allowed it to support customers who wished to return home amid the growing scale of the Covid-19 pandemic.

Over the year, as the world gradually adjusted to the new normal, the Group began to rebuild its passenger network and increase capacity in a safe and calibrated manner. This allowed the Group to meet the demand for both air travel and cargo services. As a result, the passenger network reached 23% of pre-Covid-19 levels[1] by March 2021. This has allowed the Group to maintain key network connectivity to 60 destinations (44% of pre-Covid-19 levels[1]).

The SIA Group also reviewed its network as a result of the pandemic, and Singapore Airlines announced the suspension of services to Canberra, Dusseldorf, Stockholm, and Wellington in September 2020. SilkAir also announced the suspension of services to Koh Samui in July 2020.

During the year, the Group begun to transition SilkAir narrow-body operations to Singapore Airlines, starting with services to Phuket on 4 March 2021. The full integration of SilkAir's network with Singapore Airlines is expected to be completed in 2021.

As at 31 March 2021, Singapore Airlines operated 245 weekly services to 47 destinations, with at least a daily flight to key cities such as Jakarta, London, New York, Sydney and Tokyo.

SilkAir operated 11 weekly flights to five destinations, namely Cebu, Kathmandu, Kuala Lumpur, Medan, and Singapore, by the end of March 2021.

As at 31 March 2021, Scoot operated 53 weekly frequencies to 18 destinations, mainly in the North Asia and South East Asia regions.

1 Compared to the capacity in January 2020, before the onset of the Covid-19 pandemic.

LEGEND

- Singapore Airlines Destinations
- SilkAir Destinations
- Scoot Destinations
- Singapore Airlines Route Map
- SilkAir Route Map
- Scoot Route Map

NUMBER OF PASSENGER DESTINATIONS AS AT 31 MARCH 2021[2]

47	5	18
Singapore Airlines	SilkAir	Scoot

AIRLINE	DESTINATIONS
SINGAPORE AIRLINES	**Australia** Adelaide, Brisbane, Melbourne, Perth, Sydney; **Bangladesh** Dhaka; **Brunei** Bandar Seri Begawan; **Cambodia** Phnom Penh; **China** Chongqing, Hong Kong SAR, Shanghai, Shenzhen; **Denmark** Copenhagen; **France** Paris; **Germany** Frankfurt, Munich; **Indonesia** Jakarta; **Italy** Milan; **Japan** Fukuoka, Nagoya, Osaka, Tokyo (Haneda), Tokyo (Narita); **Malaysia** Kuala Lumpur; **Maldives** Male; **Myanmar** Yangon; **The Netherlands** Amsterdam; **New Zealand** Auckland, Christchurch; **The Philippines** Manila; **Russia** Moscow; **Singapore**; **South Africa** Johannesburg; **South Korea** Seoul; **Spain** Barcelona; **Sri Lanka** Colombo; **Switzerland** Zurich; **Thailand** Bangkok, Phuket; **Turkey** Istanbul; **The United Arab Emirates** Dubai; **The United Kingdom** London; **The United States of America** Los Angeles, New York (JFK), San Francisco; **Vietnam** Hanoi, Ho Chi Minh City
SILKAIR	**Indonesia** Medan; **Malaysia** Kuala Lumpur; **Nepal** Kathmandu; **The Philippines** Cebu; **Singapore**
scoot	**Australia** Melbourne, Perth; **China** Guangzhou, Hong Kong SAR, Nanjing, Taipei, Tianjin, Wuhan, Zhengzhou; **Indonesia** Surabaya; **Japan** Tokyo (Narita); **Malaysia** Ipoh, Kuching, Penang; **Singapore**; **South Korea** Seoul; **Thailand** Bangkok; **Vietnam** Ho Chi Minh City

[2] Figures do not include destinations we have temporarily stopped flying to due to the Covid-19 pandemic.

OPERATING REVIEW

FLEET MANAGEMENT

Singapore Airlines (SIA) remains committed to operating a modern and fuel-efficient fleet despite the challenges and disruption posed by the Covid-19 pandemic.

In FY2020/21, following a review of the Airline's longer-term network as a result of the impact of the Covid-19 pandemic on the business, SIA announced that 45 older-generation aircraft had been deemed surplus to fleet requirements. This included four Boeing 777-200/200ERs, four Boeing 777-300s, four Boeing 777-300ERs, eight Boeing 737-800 NGs, seven Airbus A380s, nine Airbus A320s and two Airbus A319s. In addition, the Airline also decided that seven Boeing 777 aircraft that had been leased to NokScoot were surplus to requirements. Five of our leased Airbus A330-300 aircraft also left the Airline's ongoing operating fleet during the year as their leases expired.

In February 2021, the SIA Group reached agreements with Airbus and Boeing to revise its aircraft delivery schedule. As a result, some of the aircraft in the SIA Group's order book will be delivered over a longer period than originally contracted, with the delivery stream spread out beyond the immediate five years.

This will enable the SIA Group to defer more than $4 billion of capital expenditure between FY2020/21 and FY2022/23 to later years. It would also recalibrate the rate of introduction of capacity, following the disruption to the demand for air travel as a result of the Covid-19 pandemic.

In addition to spreading out its aircraft delivery stream, SIA has been able to respond to changes in its projected long-term fleet needs beyond FY2025/26 with the conversion of 14 Boeing 787-10 aircraft into 11 additional Boeing 777-9 aircraft.

In FY2020/21, the Airline took delivery of seven Airbus A350-900 aircraft. The SIA passenger aircraft fleet in operation, as at 31 March 2021, comprised 113 aircraft with an average age of five years and one month. The Airbus fleet included three A330-300s, 52 A350-900s, and 12 A380- 800s. The Boeing fleet comprised 15 787-10s, 23 777-300ERs and eight 737-800s transferred from SilkAir. In addition, SIA has 87 aircraft on firm order including 12 A350-900s, 31 777-9s, 13 787-10s and 31 737-8 MAXs. The SIA Cargo fleet comprised seven Boeing 747-400 freighters with an average age of 17 years and four months.

SilkAir's ongoing operating fleet consisted of one Boeing 737-800 aircraft. Of the six 737-8 MAX aircraft which were parked at Alice Springs, Australia, due to the global grounding of the aircraft type, three have been flown back to Singapore to undergo maintenance checks and cabin retrofit. SilkAir's firm order of 31 Boeing 737-8 MAXs has been transferred to SIA.

Scoot's ongoing operating fleet as of 31 March 2021 had an average age of six years and one month. This comprised 47 aircraft including 27 Airbus A320s (of which five are A320neos), 10 Boeing 787-8s and 10 Boeing 787-9s. Scoot has 51 aircraft on firm order, comprising 28 Airbus A320neos, 16 Airbus A321neos (of which 10 are leased), three Boeing 787-8s and four Boeing 787-9s.

The average age of the entire SIA Group ongoing operating fleet is five years and 10 months.

AS AT 31 MARCH 2021	FLEET AGE (AVERAGE AGE)		AIRCRAFT IN ONGOING OPERATING FLEET^
SINGAPORE AIRLINES	5 Years	1 Month	113
SILKAIR	5 Years	6 Months	1*
scoot	6 Years	1 Month	47
SINGAPORE AIRLINES CARGO	17 Years	4 Months	7
COMBINED TOTAL	5 Years	10 Months	168

^ Ongoing operating fleet excludes aircraft deemed surplus to fleet requirements and includes aircraft that were withdrawn from service for temporary storage due to significant capacity cuts arising from the Covid-19 pandemic.

** Excludes six Boeing 737-8 MAX aircraft that are currently not in service.*

PRODUCTS AND SERVICES

KRISFLYER

KrisFlyer, the Singapore Airlines Group's loyalty programme, continued to expand its global membership base in FY2020/21. Despite the reduction in travel demand brought about by the Covid-19 pandemic, KrisFlyer's membership increased by 1.7% from the previous year, reaching over 4.76 million members worldwide as of 31 March 2021.

Due to the unprecedented large-scale global border closures, KrisFlyer pivoted and offered members more ways to utilise their KrisFlyer miles through varied non-air redemption offerings on a regular basis during the year. Non-air transactions saw healthy growth, registering a 90% year-on-year increase in redemptions on KrisShop, KrisFlyer *vRooms*, KrisFlyer Experiences, and Kris+. Redemptions on KrisShop and Kris+ did especially well, up 100.7% and 89.4% respectively.

More than
4.7 million

KrisFlyer members globally

Over
3,300
air and non-air partners in FY2020/21

Given the limited travel options due to the continued impact of Covid-19, KrisFlyer extended all PPS Club and KrisFlyer Elite-tier membership statuses that are expiring between March 2021 and February 2022 for a second year. In addition, the expiry date of PPS Reserves, PPS Rewards, KrisFlyer Gold Rewards (renamed as KrisFlyer Milestone rewards) and KrisFlyer miles were also extended to offer members more flexibility in using their rewards and miles.

In January 2021, several new features were introduced to enhance the KrisFlyer and PPS Club programmes. KrisFlyer Milestone Rewards was launched to track and reward KrisFlyer members for Elite miles earned from flying Singapore Airlines, SilkAir and Scoot every calendar year. With rewards extended to members at various milestones starting from just 5,000 Elite miles earned, members can look forward to enjoying more rewards sooner when they travel with the SIA Group carriers.

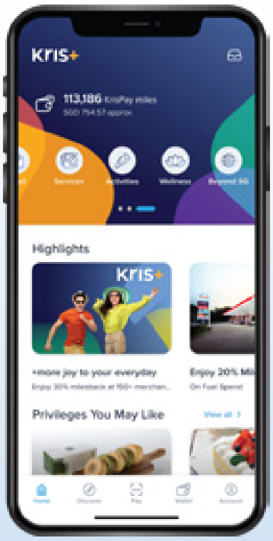
As the KrisFlyer programme evolves to become the rewards programme for the SIA Group, members can also earn Elite miles when they travel on Scoot. These Elite miles contribute towards membership renewals or upgrades to higher membership tiers within the KrisFlyer programme. From February 2021, PPS Club member benefits have also been expanded to include privileges when travelling on Scoot flights.

During the year in review, KrisFlyer expanded its strategic partnership with oil and gas company Esso to enable KrisFlyer and Esso Smiles members in Singapore to convert seamlessly between both programmes. KrisFlyer also added Pelago, enabling members to earn miles for activities and attractions in Singapore. Accrual and redemption features will be expanded beyond Singapore progressively.

Satellite teams across the SIA network were also formed to expand KrisFlyer's partner footprint globally. As of 31 March 2021, KrisFlyer had over 3,300 non-airline partners and merchants globally with whom members can earn KrisFlyer miles either directly or through partner reward points conversion.

OPERATING REVIEW

PRODUCTS AND SERVICES



KrisPay, the SIA Group's digital wallet, was rebranded as Kris+ in October 2020. This brought payment, privileges, lifestyle, and rewards services together on a new and improved platform for the SIA Group customers. Beyond earning and redeeming KrisPay miles, the app also offers additional features in reaching out to the Airline's global customer base via location-based or interest-based recommendations. There are plans to add other in-app payment options.

Kris+ also expanded beyond Singapore with the launch of Kris+ privileges in Indonesia and India, with partner privileges in more countries to be launched progressively. As of 31 March 2021, there are more than 230 Kris+ partners with over 800 outlets across Singapore.

KrisFlyer remains committed to ensuring that the rewards programme remains relevant and attractive to its global membership base. It will adapt and introduce additional ways to provide members more options to enjoy their KrisFlyer membership beyond travel.

AIRPORT OPERATIONS

The year posed unprecedented challenges for airport operations as Covid-19 significantly diminished passenger traffic. In June 2020, the closure of Changi Airport Terminal 2 led to Singapore Airlines (SIA) and SilkAir consolidating their operations at Terminal 3.

Health and safety measures

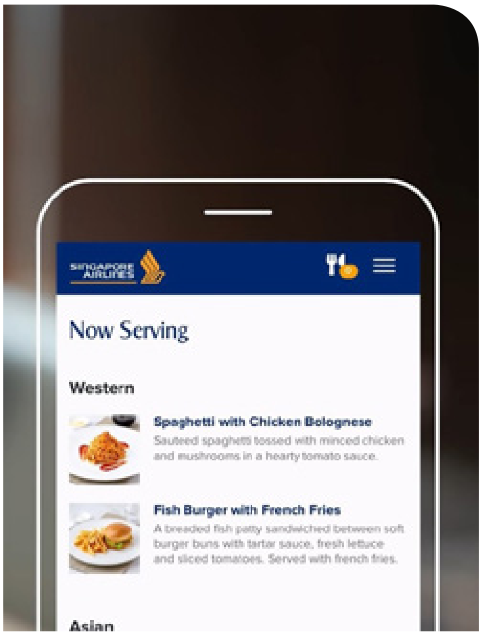
Singapore Airlines invested in efforts to safeguard the health and safety of its customers and staff, while ensuring compliance with civil aviation and public health directives. The Airline worked with the relevant authorities to install protective screens at physical touchpoints such as check-in counters, increased the frequency of cleaning and disinfecting common surfaces, as well as applying antimicrobial coating on high-usage areas in the SilverKris Lounge in Singapore, and maintaining social distancing procedures.

Protective screens were installed at check-in counters.

Enabling a seamless travel experience

Several digital initiatives were introduced to provide SIA's customers with a seamless travel experience. SIA introduced a feature on Singaporeair.com and its SingaporeAir mobile app where customers can retrieve the latest entry and transit requirements based on their travel itinerary and nationality. A subscription service was rolled out for customers who wish to receive email notifications on the latest changes to travel requirements. The Airline also developed communications tools and processes to keep its frontline staff

SIA was the world's first airline to pilot the IATA Travel Pass mobile application for digital health verification.



The e-Menu application was introduced in Singapore's SilverKris Lounge for a contactless food ordering experience.

well-informed of the latest border control advisories and regulations. This enabled them to help passengers understand more complex health and entry requirements in certain countries.

In August 2020, SIA introduced a contactless electronic menu (e-Menu) application in its SilverKris Lounge in Singapore. The platform allows customers to view the menu, place orders, and receive alerts for self-collection of their orders via a web application. This new initiative has been very well-received by customers, with about 80% of the SilverKris Lounge passengers choosing to use the application. SIA will implement the new food ordering system in its overseas SilverKris Lounges progressively.

A baggage self-service portal was also launched on Singaporeair.com in August 2020 to eliminate the need for customers to queue and create manual reports at the airport's Lost & Found counters. This enables customers to view the delayed bag report at their convenience and receive scheduled updates on the status of their bags. They can also submit claims and evaluate settlements through the portal, allowing for a much more seamless resolution process for customers.

Digital health credentials

With Covid-19 test results and potentially vaccination statuses expected to become an integral part of air travel requirements, SIA started conducting trials on digital health certificate verification in December 2020 using the International Air Transport Association (IATA) Travel Pass framework. This service was first offered to customers travelling on flights operated by SIA from Jakarta or Kuala Lumpur to Singapore, and enabled them to securely store and present information related to Covid-19 tests.

In March 2021, Singapore Airlines became the world's first airline to pilot the IATA Travel Pass mobile application when it was offered for passengers travelling from Singapore to London. By consolidating the verification of health credentials into a single application, participants can expect a faster and more seamless check-in process. Participants will have full control over how their personal information is shared, as the data is stored locally in the mobile phone and not in any central database.

There are plans to integrate the entire digital health certificate verification process into the SingaporeAir mobile app if the pilot is successful.

OPERATING REVIEW

PRODUCTS AND SERVICES

Continued Investment in Key Initiatives

The Airline continues to invest in key infrastructural initiatives in preparation for recovery. Development works for the SilverKris Lounge and KrisFlyer Gold Lounge in Terminal 3 are ongoing, with completion scheduled for around end-2021. The new lounges will feature enhanced hygiene and safety measures, upgraded facilities, larger space, as well as a newly curated selection of food and beverages.

A Resilient Workforce of the Future

Although operations were severely hampered by the pandemic, SIA's airport staff learned new skills that allowed them to take on different roles and stepped up to contribute to areas that required support. This included refunds processing and assisting customers with booking enquiries. This allowed the team to remain adaptable, and better meet evolving operational needs in a changing business environment.

THERE ARE CURRENTLY 12 SILVERKRIS LOUNGES IN THE SIA NETWORK:

- Singapore (Terminal 2 and Terminal 3)
- Bangkok
- Brisbane
- Hong Kong
- Incheon (Seoul)
- London
- Manila
- Melbourne
- Perth
- Sydney
- Taipei

CUSTOMER EXPERIENCE

The Customer Experience department (CExD) envisions the end-to-end customer journey, and develops strategies to improve the Singapore Airlines' (SIA) customer experience.

In FY2020/21, CExD focused on the impact of the Covid-19 pandemic on our customers, their value drivers, behaviour, needs, and travel requirements. The department's Customer Insights team conducted research and surveys to understand how the pandemic has changed the travel landscape and customers' behaviours. This allowed it to get access to real-time feedback, resulting in findings based on customer sentiments. Results were consolidated in the Customer Insights Portal, a new artificial intelligence tool developed in-house and launched in the middle of last year. CIP empowered SIA's business units to respond nimbly to evolving customer needs, and develop strategies and capabilities to adapt to the new normal.

One key finding was the emergence of health and safety as a new customer value driver. The Covid-19 pandemic cast a spotlight on hygiene standards in airlines, and steered customers' preferences towards digitised and contactless interactions, as well as enhanced safe distancing and sanitation measures. This spurred the Customer Experience department to undertake a comprehensive network-wide review of Singapore Airlines' health and safety measures, together with service partners and regulators, in consultation with medical experts, and taking into account customer sentiments. This also enabled the team to establish a health and safety framework that can be applied across every touch point of the customer journey in order to restore and reinforce travel confidence. Cleaning regimens were stepped up, some

The journey to transforming the SIA customer experience.

existing precautionary measures were reinforced, and new measures introduced to reduce risks for customers, employees and service partners. Digital technologies were also employed to facilitate a contactless and seamless travel experience for our customers.

As a testament to the SIA Group's efforts, both Singapore Airlines and Scoot were awarded the Diamond rating – the highest level attainable – in a global audit of airlines conducted by the industry body Airline Passenger Experience Association (APEX) and aviation strategy firm SimpliFlying. This is an affirmation of the unwavering commitment to safeguarding the well-being of customers and staff in all areas of operations.

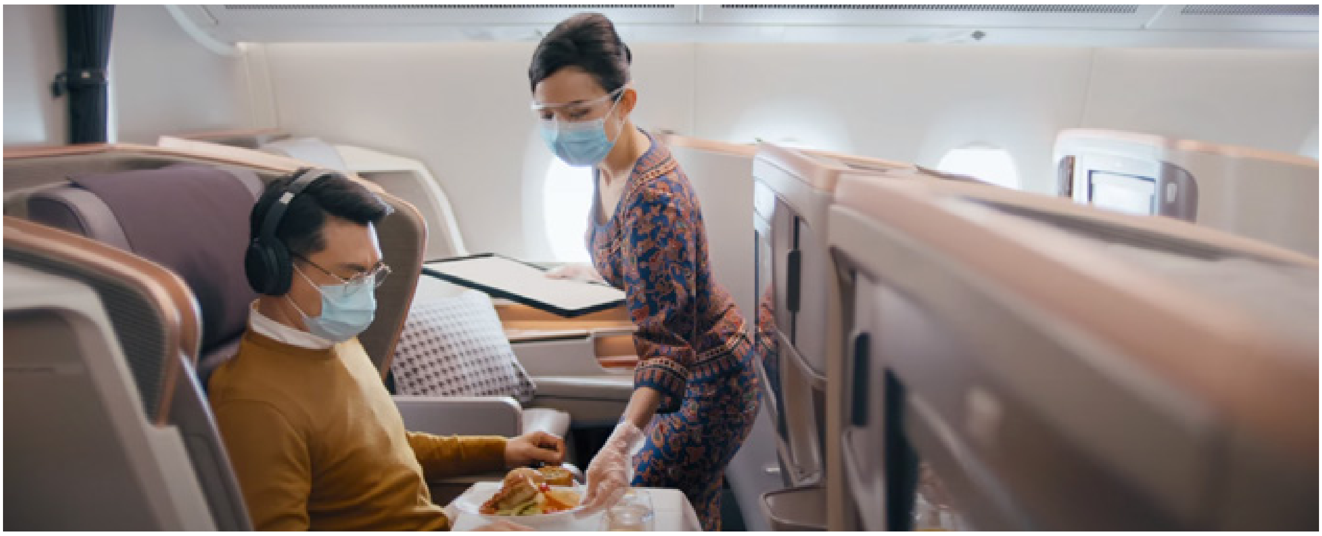
CExD also reimagined and designed the travel experience, integrating health safety measures, regulatory requirements, and digital initiatives to facilitate an end-to-end seamless customer journey. At least 45 customer journeys were visualised and remapped in FY2020/21. These were shared extensively throughout the Company to keep all staff abreast of the changes in the SIA travel experience, and our commitment to adapt to the changing customer behaviour and needs. These new customer journeys supported efforts to ensure that the appropriate channels are used to engage customers at the right time.

From December 2020, the department expanded its scope to include overseeing the governance and management of customer data. Specifically, the team advises BUs on international data privacy compliance, facilitates customer data management, and champions the integration and sharing of customer data among stakeholders for the best business outcomes and customer benefits. These efforts help protect customers' data rights across all Singapore Airlines' IT systems.

In the year ahead, the Customer Experience department will be working closely with business stakeholders to prepare for the recovery of international travel. While there will be continued focus on health and safety, the priority remains ensuring a safe, contactless and seamless journey for the customer when they travel with Singapore Airlines.

OPERATING REVIEW

PRODUCTS AND SERVICES



IN-FLIGHT SERVICES

Our response to the evolving Covid-19 situation

Snack Bag Offerings

At the height of the Covid-19 pandemic, SIA introduced a snack box in place of its normal tray service on selected flights in line with guidelines from local aviation authorities. This helped reduce contact between cabin crew and passengers as Covid-19 cases were surging globally. The snack box offered a variety of light refreshments and beverages to passengers across all cabin classes.

Modified Tray Service

SIA also explored different ways to modify the meal service on board to minimise contact between crew and customers. In Business Class, where different meal courses are typically served at different times, a one-tray meal service was introduced to consolidate all courses onto a single tray. The tray consisted of an appetiser, bread, a main course, and a dessert. This meant that there would only be one point of interaction between the cabin crew and customers during meal times, reducing the risk of infection. Choices of alcoholic beverages were reduced across all classes at the height of the pandemic. The effectiveness of these measures was monitored closely, and the one-tray service was progressively enhanced to include *satay*, fruit, and cheese on selected flights as the situation improved.

Care Kits

To offer customers greater peace of mind while travelling, SIA began distributing a Care Kit comprising a face mask, hand sanitiser, and a disinfectant surface wipe for use to all passengers.

Cabin Cleanliness

Various measurements have been introduced to enhance the cleanliness of the aircraft cabin. Long-lasting strong disinfectants are applied to frequently touched surfaces such as windows, tray tables, handsets, in-flight entertainment screens, lavatories and galleys. Hand sanitisers and personal protective equipment (PPE) such as gloves, eye goggles and face masks are also provided to cabin crew. The frequency of cleaning has also increased to ensure a sterile cabin before boarding. Used linens are chemically washed at high temperatures to ensure they are properly disinfected after every flight.

Since March 2021, all pillows on board the aircraft are wrapped to ensure the fresh covers remain unexposed to dust prior to flight.

SIA also conducts a rigorous deep-cleaning procedure, which includes fogging the aircraft, if the flight had carried a passenger infected with Covid-19.

Discover Your Singapore Airlines

As part of efforts to increase engagement with customers during a time of low travel, Singapore Airlines launched the *Discover Your Singapore Airlines* suite of experiences on 29 September 2020. This comprised three all-new initiatives - *Restaurant A380 @Changi*, *Inside Singapore Airlines* and *SIA@Home* - that were specially curated for customers and fans in Singapore.

SIA@Home

SIA@Home brought the iconic elements of the Singapore Airlines in-flight experience to the comfort of our customers' homes. Diners were treated to a home-dining experience for two, created by chefs from SIA's world-renowned International Culinary Panel and paired with a choice of wine or champagne selected by its Wine Panel experts. The experience also included exclusive First Class or Business Class amenity kits, welcome videos featuring SIA cabin crew, as well as a specially curated playlist to recreate the SIA onboard experience at home. As part of the experience, customers also have the option to tap on a team of dedicated crew concierges for menu recommendations or opt for the Book-the-Chef option where a chef would be on site to reheat, plate and serve the meal.

As part of the SIA@Home dining experience, the set includes a full range of SIA's in-flight dinnerware, designed by Wedgwood and Narumi for First Class and Business Class respectively, as well as Lalique crystal.

Customers of all ages were treated to a memorable dining experience on board our Airbus A380 aircraft at the Restaurant A380 @Changi event.

Restaurant A380 @Changi

Over two weekends from 24 October to 1 November, Singapore Airlines hosted diners in two Airbus A380 double-decker aircraft at Changi Airport. Over 3,000 customers came for either lunch or dinner curated from our in-flight food and beverages menu, including a special menu by local chef Shermay Lee. They were treated to an exciting programme packed with pre-dining activities, exclusive shopping discounts, and a memorable dining experience in a cabin class of their choice. Customers were also offered a selection of over 1,000 movies, television shows and music for their entertainment as they dined, all while enjoying award-winning service from our cabin crew.

Inside Singapore Airlines

Held over two weekends in November 2020 during the Singapore school holidays, *Inside Singapore Airlines* provided an exclusive tour of SIA's training facilities with a wide range of activities for the entire family. Over 2,000 visitors came for the tours, where they learnt about SIA's history and had an exclusive insight into the intensive training undertaken by the airline's pilots and cabin crew.

Children enjoyed craft activities such as balloon sculpting and making their own *batik* roses. They also had the chance to role-play as a cabin crew and took home their very own SIA sarong kebaya uniforms. Adults could experience a full flight simulator session, tasted some of SIA's premium in-flight wine labels, and attended grooming workshops.

OPERATING REVIEW

PRODUCTS AND SERVICES

More than 730 staff volunteered as tour guides and safe distancing ambassadors for the event.

SIA also customised *Inside Singapore Airlines* tours and experiences for T-Touch, which comprises volunteers from Temasek Holdings, on 5 December 2020. Over 400 participants from the Down Syndrome Association, Northlight School, the Industrial & Services Co-Operative Society, and Beautiful People, as well as volunteers from Project Chulia, together with their families and volunteers from T-Touch, enjoyed a fulfilling day at the SIA Training Centre.

Items such as First Class Lalique lounge wear (top) and Business Class porcelain square plates were sold at the first public sale held during Inside Singapore Airlines.

Sale of Serviceware

Singapore Airlines held its first public sale of in-flight dinnerware and amenities during *Inside Singapore Airlines*. Visitors brought home SIA memorabilia from its range of onboard serviceware in its First Class, Business Class and Economy Class. The popularity of the sale led to SIA making similar items available for sale on KrisShop.com for the wider public.

SilkAir and SIA integration (in-flight services)

With the integration of SilkAir into SIA, customers can look forward to enhanced in-flight offerings on regional narrow-body services. This includes the introduction of *satay* and cheese on Business Class (on applicable flights), a wider range of spirit and beverage offerings, *'Book the Cook'* service, and signature SIA amenities. Promotional activities were also planned to commemorate the launch of SIA's new narrow-body Boeing 737-800 NG aircraft. These included a special in-flight menu, a celebratory cocktail for Business Class customers, and a Penhaligon's amenity kit giveaway to all passengers on the inaugural flight to each launch destination.

New Business Class amenity kits

SIA developed a new Business Class amenity kit in collaboration with renowned British perfumery Penhaligon's. These were designed and developed after trials on various amenity kit concepts to better understand the needs and expectations of our customers. Each kit comes with a hand lotion, facial mist, lip balm in a specially selected refreshing citrus scent, *Quercus*. Limited edition special edition kits, with an extra perfume oil in the *Luna* scent, are also available.

Penhaligon's kits were given out during the *Restaurant A380 @Changi* event, as well as a festive giveaway on board flights from 15 December 2020 to 15 January 2021, and on board the new SIA narrow-body aircraft in March 2021. The kits were officially launched across selected flights on 28 March 2021 for all Business Class passengers.

A new Business Class amenity kit, developed in collaboration with Penhaligon's, was officially launched on 28 March 2021.

New Short-haul Economy Class meal concept

From 1 December 2020, Singapore Airlines (SIA) and SilkAir launched its new regional Economy Class meal concept on selected flights under 3.5 hours. This provides customers with a greater variety of Singaporean and international main courses on these flights, including more than 40 new dishes such as Singaporean favourites congee, *laksa,* and gravy-rich *mee siam*.

These meals come in a new leak-proof box and cup made of Forest Stewardship Council (FSC) certified paper, and a cutlery pack made of bamboo with a paper wrap. The new packaging helps reduce single-use plastics on the tray by 80% in weight.

The unique box can hold the same amount of food as the casseroles, but is deeper and more secure. This allows it to retain gravy and soupy dishes without any unintended seepage. It is also oven-safe and resistant to overheating, ensuring that food quality is preserved even after reheating.

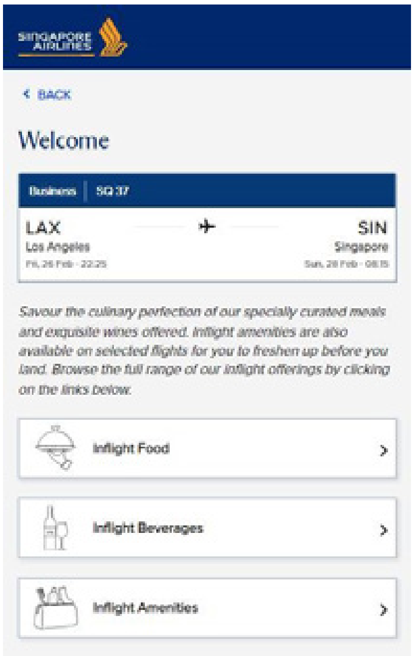
The new meal concept was developed jointly by SIA and SATS, the Airline's Singapore-based catering partner. After reviewing potential pain points and identifying areas of improvement in the current short-haul in-flight experience, the companies delved into months of research and development to come up with a box that is both versatile and eco-friendly, and yet maintains taste and meal quality.

Customers have given positive reviews for the new and improved meals on board since the launch of the new short-haul Economy Class meal concept.

Digital menu

In September 2020, SIA introduced a digital in-flight menu that allows travellers to view in-flight food, beverage, amenity and snack offerings via their personal electronic device before they fly. This enhances the travel experience while minimising contact between crew and customers on board. The portal can be accessed via a web browser without the need to install any applications, and is also accessible in-flight through the onboard Wi-Fi. Customers can also access the digital in-flight menu via the SingaporeAir mobile app.

(Right) Customers can now access information on the in-flight food, beverage and amenity offerings though their mobile devices before their flight.



The new regional Economy Class concept meals include new dishes such as mee siam (right) and pulut hitam cake (left) served in eco-friendly boxes.

OPERATING REVIEW

SIA CARGO

At the start of the financial year, the unprecedented closure of global borders resulted in a sharp drop in passenger flights around the world. Singapore Airlines (SIA) also announced that it would cut 96% of its passenger capacity and ground a substantial amount of its fleet, resulting in a sizable loss of cargo capacity that is attributed to the bellyhold of passenger aircraft. As a result, SIA Cargo entered the year facing the dual challenge of a significant reduction in its operating capacity and difficulties in ensuring the resilience of the global supply chain.

Maximising cargo capacity and maintaining the global supply chain

To mitigate this, SIA Cargo maximised the utilisation of its freighter aircraft fleet and expanded its cargo-only passenger flight network to keep airfreight supply lines open, and transported essential goods that were in urgent demand in most countries. The division also worked with teams within SIA and partners in the Singapore aviation ecosystem to come up with innovative solutions to meet the demand for cargo capacity. For example, cargo was strapped on the seats and stowed in overhead luggage bins of its passenger aircraft. Premium Economy Class and Economy Class seats were removed from two Boeing 777-300ER passenger aircraft, and seats were similarly removed from two Scoot A320 aircraft, to increase their cargo-carrying capacity.

This allowed SIA Cargo to transport a wide range of items including fresh foods, personal protective equipment (PPE), medical supplies, and pharmaceuticals. SIA Cargo also participated in the Australian government's International Freight Assistance Mechanism (IFAM) and the Singapore-New Zealand Airfreight Partnership (SNAP). These initiatives allowed it to transport chilled meat and fresh produce, among other exports, from both Australia and New Zealand, to other parts of the world.

(From left to right) Singapore Airlines' Chief Executive Officer Goh Choon Phong, then-Minister for Transport Ong Ye Kung, Captain Sam Llewellyn and Senior First Officer Wilson Lee, at the unloading of the first shipment of Pfizer-BioNTech Covid-19 vaccines delivered to Singapore in December 2020.

In August 2020, SIA Cargo partnered with Temasek Foundation and the United Nations' World Food Programme (WFP) to support the global Covid-19 response and help transport essential medical supplies and other health and humanitarian items to points of need around the world. Under that agreement, SIA made ad-hoc charter flights and freight space on its scheduled flights available on a cost-recovery basis, with flight costs being covered by a contribution of up to U\$6.5 million from the Temasek Foundation. Under the partnership, SIA delivered over 937 tons of essential supplies to communities in need from August to December 2020.

Readying Covid-19 vaccine transportation capabilities

SIA Cargo set up an internal Covid-19 vaccine task force in May 2020 to ensure readiness across all aspects of the SIA Group's cargo operations to prepare for the safe, reliable, and timely transportation of Covid-19 vaccines when they became available. This looked at the initiatives that would leverage SIA's network connectivity, prioritise airfreight capacity for vaccine movements, build robust capabilities to ensure that temperature-sensitive vaccines can be delivered safely and reliably, and allow the airline to work with partners to ensure readiness as a key pharmaceutical hub.

Between December 2020 and February 2021, SIA Cargo delivered the first Singapore-bound shipments of Pfizer-BioNTech and Moderna Covid-19 vaccines, as well as the first Pfizer-BioNTech Covid-19 vaccines to Australia and New Zealand. The Airline also delivered a shipment of Sinovac Covid-19 vaccines to Indonesia. The transportation of those vaccines demonstrated SIA's and the Singapore air hub's readiness to meet the logistical requirements of transporting time- and temperature-sensitive Covid-19 vaccines around the world.

SIA Cargo also supported the global Covid-19 vaccine distribution for COVAX through UNICEF's Humanitarian Airfreight Initiative. This allowed it to provide safe, reliable and timely transportation of Covid-19 vaccines to communities in need around the world.

Improving existing capabilities

In November 2020, SIA became the first airline in South East Asia to receive the accreditation for Envirotainer's Qualified Envirotainer Provider Training and Quality Program (QEP), which recognises SIA's proficiency in managing Envirotainer's temperature-controlled containers in accordance with industry standards. SIA Cargo also added Brisbane and Melbourne to its growing THRUCOOL pharmaceutical quality corridor network.

SIA Cargo was also the first airline in South East Asia to attain the global certification for the International Air Transportation Association's (IATA) Centre of Excellence for Independent Validators in Perishable Logistics (CEIV Fresh) in February 2021. THRUFRESH, a new service to transport time- and temperature-sensitive perishable cargo, was launched at the same time. THRUFRESH offers dedicated cold chain services such as priority uplift and handling, quick ramp transfer and cold room facilities to ensure reliable and efficient delivery that meets the stringent demands of transporting delicate and short-shelf life products, such as live seafood, chilled meat, fruits and vegetables.

SIA Cargo's new blockchain-based e-commerce logistics platform, Parxl, welcomed its first B2B customers during the year. Parxl is designed to meet the international shipping needs of e-retailers by offering a seamless and fast cross-border delivery experience right to the consumer's doorstep. The platform provides merchants with end-to-end visibility of shipped packages, and access to SIA's global airfreight network and portfolio of regional delivery specialists, while functioning as a singular touchpoint for all partners along the supply chain.

On the digital transformation front, SIA Cargo appointed IBS Software to bring its global cargo operations onto a single integrated digital cargo platform to improve operational insight across its entire network. This will be achieved through the deployment of IBS Software's iCargo SaaS-based cargo management solution.

The implementation will see SIA transitioning from its existing air cargo systems to iCargo to support its cargo business units. This includes sales, import and export operations, air mail handling, and revenue accounting. The move will strengthen its ability to better manage cargo capacity, gain enhanced visibility of shipment yields and revenues, optimise network performance and seamlessly collaborate with partners' systems, as well as drive efficiencies and improve operational resilience.

Engaging the community

During the year, SIA Cargo's Corporate Social Responsibility (CSR) committee organised two activities for its adopted beneficiary, Henderson Student Care Centre (HSCC), which comes under the auspices of Singapore Children's Society. The first was a virtual event held on 23 July 2020 and featured SIA's 'Colour Me Magic!' augmented reality app, and a live-streamed animal show by the Singapore Zoo. The second event titled "Our World", which was held on 10 December 2020, saw its CSR volunteers visiting the children at HSCC and taking them on an interactive virtual journey of the world.

Seats were removed from the cabins of the Boeing 777-300ER passenger aircraft to increase its cargo capacity during the height of the pandemic.

OPERATING REVIEW

PEOPLE DEVELOPMENT

Responding to an unprecedented crisis

As the Covid-19 pandemic worsened and international border closures prolonged, there was an urgent need for the company to adapt to an uncertain future and position ourselves to emerge from the crisis stronger and fitter.

From the outset of the crisis, one of the SIA Group's priorities was to save as many jobs as possible. The Group implemented a recruitment freeze in March 2020 and did not fill vacancies that opened due to resignations and retirements. It also offered a Special Early Retirement Scheme for head office ground staff and pilots, as well as a Voluntary Release Scheme for cabin crew. The Group also announced a Voluntary No Pay Leave scheme for an extended period. These initiatives helped to reduce our headcount and facilitated more effective manpower allocation.

The Group also implemented salary cuts early in the crisis to manage its expenditure, starting with the management team and then extending it to all employees as the situation deteriorated. These have remained in place for more than a year.

In September 2020, the Company announced its decision to cut 4,300 positions across the Group. This was mitigated by earlier efforts to reduce headcount, which allowed the Group to eliminate some 1,900 positions. As a result, the Company made the difficult decision to release 2,400 staff. A subsequent agreement with pilots to take additional pay cuts to save jobs reduced the final number to about 2,000 job losses. By reducing the overall headcount by around 20%, the Company positioned itself to remain viable operating a smaller fleet for a reduced network in the coming years.

Having to let go of its people was one of the toughest decisions that the Company has had to make in its history. The release was not a reflection of the strengths and capabilities of the affected staff, but the result of an unprecedented global crisis that has engulfed the airline industry. The SIA Group was focused on conducting the release of our staff in a fair and respectful manner, and did its best to ensure that the affected colleagues received all necessary support during this very trying time.

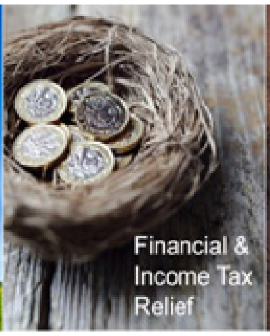
Supporting our people

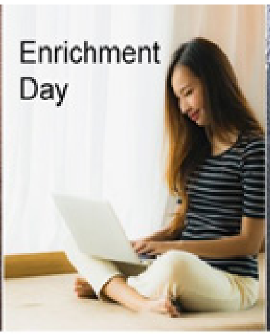
While the pandemic pushed the Airline's operational and financial capacities to the limit, it has also brought the best out of its people. At the onset of the pandemic, staff at the head office and overseas stations voluntarily came forward to assist at the contact centres, ticketing offices, and social media units, which were overwhelmed by high volumes of customers' queries.

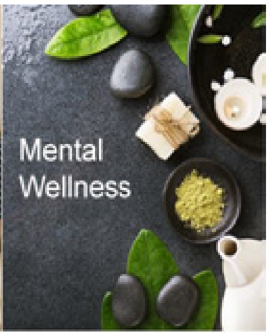
Confronted with the greatest challenge that the SIA Group has encountered in its existence, we recognised the difficulties that our staff face both at work as well as their personal lives.

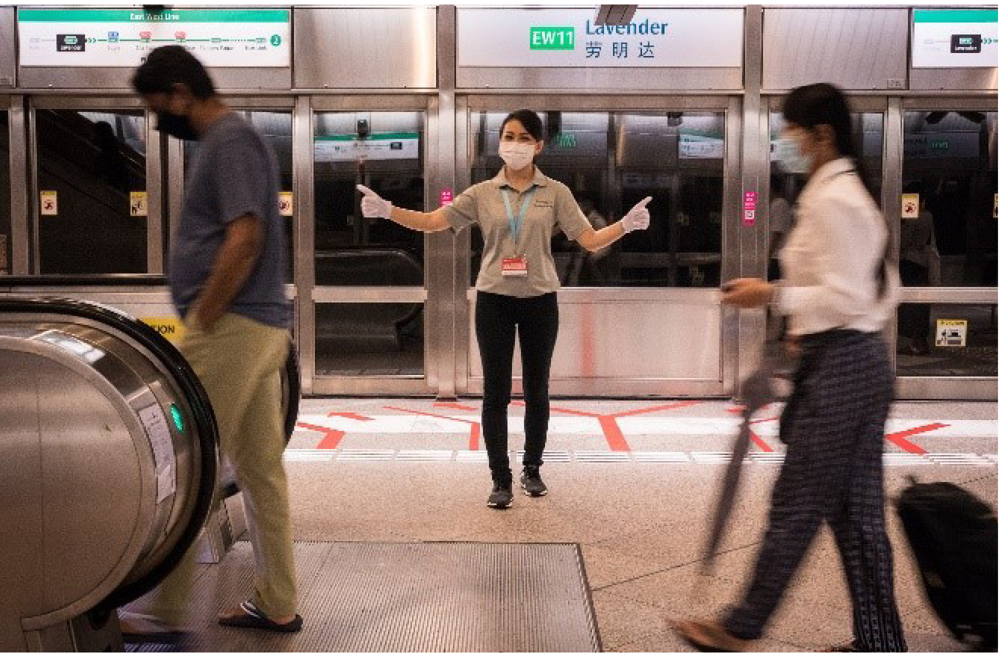
A one-stop Employee Support Portal was set up to provide resources to assist staff whose livelihood were badly impacted and needed financial relief. During the challenging period, SIA worked with banks and government agencies to offer financial relief channels for our staff. The Airline also waived its exclusive service requirements for certain groups of staff so that they could secure supplementary income through other jobs. This supported staff who had been affected by the unprecedented drop in operations, as well as the pay cuts that the Company instituted in response to the crisis.

Beyond financial assistance, the Company provided opportunities and time-off for staff to pursue additional training or upskilling in the form of an allocated monthly Enrichment Day. Staff could also take up volunteering roles during this day.









More than 2,000 SIA Group staff stepped up to support the frontline fight against Covid-19 through their roles such as care ambassadors in hospitals (top) where they assisted in routine patient care, and as transport ambassadors (bottom) where they helped ensure safe distancing between commuters at train stations.

SIA introduced mental wellness programmes and organised regular talks for staff on the topic, given the importance of this issue during this especially challenging time for employees as they helped the company to navigate the crisis.

When work-from-home requirements were mandated by the Singapore government, SIA moved swiftly to allow our people to adapt to the new arrangements with flexible work schedules. The Company recognised that during this time, regular engagement was essential to keep the SIA Spirit strong. To rally our people to stay united and to focus to deliver our Transformation priorities, SIA conducted 14 webinars focused on the Airline's Transformation priorities. These webinars were hosted by the senior management to engage with staff both locally and around the world.

The collective efforts of the Group, along with strong support from our unions and staff, yielded a strong showing in an Employee Pulse Survey conducted in March 2021. SIA achieved its highest ever engagement score, a welcomed recognition of the Company's efforts in supporting them through these difficult times.

Ambassador programmes

As the pandemic continued to evolve, the SIA Group adapted and responded quickly to support the fight against Covid-19 on the frontlines at a time of reduced operations. The Group worked with various government agencies to launch its various ambassador programmes. Starting with the care ambassadors in hospitals, this was expanded to include other ambassador programmes in the transport and social services sectors.

OPERATING REVIEW

PEOPLE DEVELOPMENT

More than 2,000 SIA staff have worked as ambassadors during this time, allowing them to support the fight against Covid-19 on the frontlines at a time of reduced operations. Their duties include supporting healthcare workers to care for patients in hospitals, ensuring safe distancing among commuters at train stations, and assisting with processing Covid-19 support grants. Our crew displayed the same renowned professionalism in these new roles, and have since received numerous accolades for their work from government agencies as well as members of the public.

Singapore Airlines Academy

Following on the success of our Ambassador Programmes, we seized the opportunity to offer training to other organisations.

In November 2020, SIA launched the Singapore Airlines Academy as a new business to provide training programmes to external businesses and organisations in the areas of service excellence, operational excellence, organisational innovation, and digital transformation.

The Academy bases its training curriculum on the Airline's wide range of globally recognised skills and competencies, and taps on its experienced staff in delivering these programmes. This allows our trainers to remain relevant while contributing to Singapore's larger national skilling efforts. In teaching others, our trainers also have the opportunity to learn from others and reinforce and build on their own capabilities.

Within six months from its inception, the Academy has begun working with companies in the healthcare, finance, retail, transportation and hospitality sectors.

At present, we have a total of 35 trainers from across the Company supporting the Academy. They are drawn from divisions including Cabin Crew and Flight Operations, as well as our corporate and ground training school. Each trainer has had more than a decade of service at SIA and are experts in their respective fields. Singapore Airlines Academy is not just a new source of revenue for the organisation but also a testament of our people's agility and resourcefulness. What sets the Academy apart is that we live what we teach, as our trainers are also practitioners with extensive front-line and training experience. That allows us to deliver the SIA standard in our training delivery and content.

Dynamic and resilient team

Singapore Airlines believes that the continuous development and growth of our staff are key to remaining competitive and resilient. To mobilise the organisation to deliver Transformation priorities and emerge stronger from the pandemic, SIA has been focused on equipping our people with the relevant skills and competencies that allow them to be adaptable and responsive to change in a post-Covid-19 operating environment. This will allow our people to be deployed in a manner that meets evolving business priorities.

In April 2021, SIA launched UPLIFT, a two-year holistic upskilling plan focused on five key capabilities critical to ensuring that its people remain competitive and relevant. These capabilities are: Digital and Innovation, Solutioning Mindset, Resilience and Change Management, Leadership and Collaborations, and Value-Outcome Application. The programme aims to equip our people with the knowledge and skills needed for a resilient and future-ready workforce, and to be able to respond in a nimble and flexible manner to a dynamic external environment.

OPERATING REVIEW

ENVIRONMENT

It is widely recognised that climate change is a global risk that will impact not just the environment, but also socioeconomic systems that are fundamental building blocks of society. Recognising this, in May 2021, SIA committed to a net zero carbon emissions target by 2050, reinforcing its long-standing strategy of working towards decarbonisation and environmental sustainability across its operations. To achieve this goal, the Group's airlines - Singapore Airlines, Scoot and SIA Cargo - have embarked on various initiatives, including investing in new-generation aircraft, achieving higher operational efficiency, adopting low-carbon technology such as sustainable aviation fuels, and sourcing for high quality carbon offsets.

In addition, we will continue to collaborate with like-minded partners including governments, the airline industry, aircraft manufacturers, technology providers, fuel suppliers, and research institutes globally to explore more innovative solutions. We will also work together with stakeholders in Singapore to develop a holistic decarbonisation plan, which complements Singapore's goal of strengthening the country's air hub and maintaining its competitive advantage into the future.

Our Climate Action Pledge and Sustainability Policy, as detailed in our Sustainability Report, reaffirm our dedication towards protecting the environment and adopting of sustainable practices in all aspects of our operation to drive sustainable development.

Management of energy and emissions

Our investment in modern and fuel-efficient aircraft helps to reduce our Scope 1 greenhouse gas (GHG) emissions. In line with SIA's fleet renewal programme, we have one of the youngest operating aircraft fleet in the world, comprising 168 aircraft with an average age of five years and 10 months. Our fleet largely comprises new-generation aircraft such as the Airbus A350s and Boeing 787s, which are known for their advanced technology and high fuel-efficient performance. Complementing this is our continued push for the adoption of sustainable aviation fuels. We aim to support the commercialisation of sustainable fuels in Singapore, as well as the development of an integrated supply chain at Singapore Changi Airport, as we see sustainable fuels as a key in-sector lever to achieve our long-term decarbonisation ambition.

At the same time, we continue to implement various fuel productivity and savings initiatives across our engineering, flight, and ground operations to reduce our carbon footprint. We monitor aircraft performance levels, make our aircraft lighter, and optimise flight plans and routes where possible to reduce fuel usage during flights, thereby improving fuel efficiency. We also employ data analytics to measure aircraft performance, as well as identify and prioritise measures to better support our fuel efficiency strategies. These efforts in fuel productivity and savings have helped to reduce approximately 28,382 tonnes of CO_2 across our fleet.

SIA continues to invest in modern and fuel-efficient aircraft, while improving operational efficiency to lower our carbon emissions.

Leftovers on the tray of our new eco-friendly dining concept, including the serviceware, can be converted into pellets that can be used as refuse-derived fuel (RDF).

Empowering action through carbon offsetting

In addition to our initiatives, the SIA Group has launched a voluntary carbon offset programme, empowering our customers to take meaningful action to protect the skies in which we fly. The programme enables Singapore Airlines and Scoot passengers, as well as SIA Cargo customers, to calculate and neutralise their portion of emissions. All of these contributions will be used to fund accredited environmental projects in Asia that will help reduce or avoid carbon emissions. To encourage customers to offset their flights, Singapore Airlines will also match the passenger contributions dollar-for-dollar for six months.

We have carefully selected a portfolio of carbon offset projects that includes protecting rainforests, supporting renewable energy technology, and sustainably improving the livelihoods of local communities. Each project is independently accredited and meets rigorous standards to ensure the integrity of the project's benefits.

Energy and water conservation on the ground

SIA aims to conserve energy and water at our premises through retrofitting and renovation efforts, which help to facilitate a reduction in resource usage and improved performance. In FY2020/21, we continued to implement energy reduction initiatives. We also remain committed to increasing our adoption of renewable energy. The installation of the solar panels on the rooftops of SIA premises was completed in FY2020/21 and, together with those installed by SIAEC, are capable of delivering 10,200MWh of clean energy per annum or 18% of our electricity requirements.

Water is primarily used in SIA's buildings for air-conditioning and sanitary appliances. Our water management initiatives focus on reducing water usage through water-saving devices and the harvesting of rainwater and ground water. In recognition of our water conservation efforts, we attained the PUB Water Efficiency Building (WEB) Certificates for four SIA-owned buildings, namely Airline House, SIA Training Centre, TechSQ and SIA Supplies Centre.

Waste reduction

We also constantly work towards reducing our waste both in-flight and on the ground. In FY2020/21, SIA worked with SATS to develop a new eco-friendly dining concept. The new meal concept involves the replacement of single-use plastic packaging with alternative sustainable materials. Leftovers on the tray, including the new serviceware, can be processed by an onsite eco-digester into pellets that can be used as refuse-derived fuel.

OPERATING REVIEW

COMMUNITY ENGAGEMENT

Singapore Airlines aspires to be a purpose-led organisation that uses our business as a force for good. We believe in giving back to society and strengthening our relationships with the communities we serve in Singapore and around the world.

Community projects in Singapore

In Singapore, we actively support initiatives which promote education and sports excellence, the arts, as well as environmental conservation. Support is extended to community groups through corporate donations, ticket sponsorships and staff volunteerism, among others.

An advocate of the arts, culture and sports scenes in Singapore, Singapore Airlines continues to be a proud sponsor of the National Arts Council, Singapore Chinese Orchestra, Singapore Dance Theatre, Singapore Lyric Opera, Singapore Symphony Orchestra, Singapore National Olympic Council and Singapore Sports School.


Photo Credit: Khoo Teck Puat Hospital

The pandemic may have dampened the demand for travel, but not our spirit for supporting the community.

Supporting the Singapore community during the Covid-19 pandemic

As a responsible corporate citizen, SIA believes that we have a part to play in providing support to the communities we serve during this time of crisis. While the pandemic may have dampened the demand for travel, it has brought out the best in us by providing opportunities for the SIA Group staff to step up our efforts in contributing back to the community.

Over 2,000 members of our operating crew stepped up and supported the nation's efforts by playing important roles in the healthcare, transport and social service sectors as Care, Transport, Safe Distancing and Contact Tracing Ambassadors. Their duties included supporting healthcare personnel in the hospital wards, ensuring that the public adhere to safe distancing guidelines, and making phone calls to support contact tracing efforts. Cabin crew were also deployed to the Ministry of Social and Family Development's social service offices to help process schemes to support individuals and families affected by the Covid-19 pandemic.

To further reinforce a philanthropic culture across SIA, we introduced an Enrichment Day, providing staff with one day a month to pursue learning opportunities or volunteer, in support of various beneficiary groups. Over 2,000 SIA employees volunteered their time at organisations such as Temasek Foundation, Free Food For All, Seng Kang Community Hospital and Willing Hearts. We also collaborated with Temasek Foundation on the #BYOBclean campaign, which encouraged the community to bring their own bottles for the distribution of zero-alcohol hand sanitiser solutions. This initiative helped to ensure the health and safety of the community and also encouraged the adoption of eco-friendly practices to reduce plastic consumption.

Community projects around the world

Beyond Singapore, as a global airline, our overseas stations are equally passionate and committed in reaching out to their communities. We work with charities in support of various initiatives and causes, even during the Covid-19 pandemic. Overseas stations have raised donations and essential supplies across the world, and also committed their time to volunteering with their local charities.

The battle against the Covid-19 pandemic requires strong global co-operation from every individual and organisation. We have stepped up to support the global fight against the pandemic despite the impact on our business. Efforts have been focused on enabling the continuous flow of essential goods, supplies and vaccines globally and ensuring that our customers are able to return home safely to their loved ones.

SIA formed a Covid-19 Vaccine Taskforce to prepare for the transportation of Covid-19 vaccines globally and was also one of the 10 leading airlines to be a signatory to the UNICEF Humanitarian Airfreight Initiative. This landmark initiative aims to provide safe, reliable and timely transportation of Covid-19 vaccines, essential medicines, medical devices and other critical supplies to communities in need around.

Between August 2020 and December 2020, SIA also partnered with Temasek Foundation and the United Nations World Food Programme to support the global Covid-19 response to help transport essential medical supplies and other health and humanitarian items by air to points of need around the world. During that period, SIA delivered a total of 937 tonnes of shipments to selected destinations.

During the height of the pandemic and lockdowns around the world, we further expanded our freighter and cargo-only passenger flights to keep airfreight supply lines open for essential goods (medical supplies, personal protective equipment, pharmaceuticals and fresh foods, etc.) that needed fast delivery.

During the year, the SIA Group worked with several governments, including Singapore, to bring their citizens back home safely through repatriation charter flights. As of 31 March 2021, the Group operated more than 30 repatriation charters to destinations such as Australia, Bangladesh, India, Thailand and Vietnam.

As a global airline, our overseas stations are also passionate and committed in reaching out to their communities.

SUBSIDIARIES

SIA ENGINEERING COMPANY

BUSINESS UPDATES

SIA Engineering Company (SIAEC) is an established maintenance, repair and overhaul (MRO) partner to global airline customers, as well as aerospace equipment manufacturers in the Asia-Pacific region. It provides line maintenance services at 30 airports strategically located across seven countries, and a suite of integrated MRO solutions on some of the most advanced and widely used commercial aircraft in the world.

At its one-stop maintenance facility in Singapore, which has six hangars, SIAEC offers world-class MRO services to more than 80 international carriers and aerospace equipment manufacturers. Another three hangars are situated in Clark, the Philippines, allowing the company to extend its reach to airline customers around the region.

From various locations in the seven countries, SIAEC's portfolio, comprising 23 subsidiaries and joint ventures with a wide range of strategic partners and leading original equipment manufacturers (OEMs), complements its suite of MRO services.

In FY2020/21, travel restrictions and border controls were implemented around the world to stem the spread of the Covid-19 pandemic. SIAEC and its Singapore-based joint venture companies were classified as essential services providers, allowing them to remain available to customers even during a partial lockdown that Singapore implemented from April 2020 to June 2020. This allowed SIAEC to offer the same professional and dedicated MRO services, while ensuring that health and safety measures were in place to safeguard the welfare of their staff and customers.

Nevertheless, the resulting plunge in operating flights due to widespread travel curbs had a direct impact on the SIAEC Group's Singapore and overseas line maintenance stations. The start of the financial year saw the most severe impact with a record low number of flights handled by its Line Maintenance unit in April and May 2020. Since then, the number of flights handled has been recovering, albeit at a slow pace. All business segments were significantly affected throughout the financial year.

During the year in review, SIAEC handled only 27,727 flights at Changi Airport - a steep decline from 149,804 the year before. At its Base Maintenance unit, low flight activities and the grounding of aircraft by airlines resulted in the extension of maintenance intervals and hence fewer aircraft maintenance checks. Work volume for its Fleet Management business and Engine and Component joint venture companies also fell sharply as a result of low flight hours.

To position itself for the new aviation landscape, SIAEC continued its diligent review and rationalisation of its portfolio of Group companies while seeking out new opportunities. In August 2020, SIAEC completed the integration of its subsidiary, Heavy Maintenance Singapore Services Pte Ltd, into its Base Maintenance unit for greater efficiency and competitiveness.

In addition, SIAEC acquired Cebu Pacific's stake in SIA Engineering Philippines (SIAEP) and made it a wholly-owned subsidiary. This is in line with SIAEC's strategy of strengthening its core competencies and enhancing its status as the Group's centre of excellence for narrow-body aircraft MRO offerings. With a lower cost base, SIAEP is well-positioned to compete for work on narrow-body aircraft, which are expected to return to flying earlier than widebody aircraft. SIAEC also divested its stake in Aviation Partnership (Philippines) to rationalise its investments in the Philippines.

In February 2021, SIAEC established a new Engine Services Division (ESD) to increase its value proposition to OEM partners and airline customers. All existing engine-related services performed by SIAEC will be consolidated under ESD to complement the company's network of engine joint venture companies in Singapore. The Division will also offer engine-related services including engine maintenance, parts repair, storage and preservation, material management, on-wing services, and engine testing. SIAEC plans to invest in a new facility in Singapore to accommodate the growing demand for engine quick turn maintenance.

SIAEC has signed a Memorandum of Understanding with Switzerland's SR Technics to acquire the latter's Malaysian unit. The acquisition, if completed, will strengthen SIAEC's existing component repair and overhaul services, and fleet management programmes.

Operating results

Revenue of the SIAEC Group fell $551.1 million or 55.4% to $443.0 million in FY2020/21, as low flight activities and widespread grounding of aircraft resulted in a sharp and severe reduction in business volume. The SIAEC Group expenditure decreased by $458.4 million or 49.5% year-on-year to $468.0 million, due to grants from government support schemes and cost-saving measures. These measures included aligning its manpower requirements to lower work activities, tighter control over expenses, and deferment of non-critical expenses.

However, the considerable reduction in expenditure could not keep pace with the acute decline in revenue, resulting in an operating loss of $25.0 million for the Group, compared to a profit of $67.7 million a year ago.

The SIAEC Group's share of profits from associated and joint venture companies was $39.9 million, $88.0 million or 68.8% lower year-on-year. Of this, the Engine and Component segment yielded a positive contribution of $49.8 million, while the Airframe and Line Maintenance segment reported a loss of $9.9 million. The weaker contributions were due mainly to low flying hours and extension of aircraft maintenance intervals. In addition, share of profits from the Engine and Component segment was affected by a one-time increase in tax provision in the fourth quarter of FY2020/21.

Due to the adverse impact of the Covid-19 pandemic on the aerospace industry, provisions were also made for impairment of asset values in FY2020/21. These included a $35.0 million impairment provision made on Base Maintenance unit's assets and an $11.4 million impairment provision on the investment in an engine programme.

As a result, the SIAEC Group recorded a net loss of $11.2 million, compared to a profit of $193.8 million in FY2019/20.

Building resilience

The Covid-19 pandemic has had a debilitating impact on the global aviation industry and consequently on the MRO sector. The drastic cuts in flight capacities and the grounding of aircraft directly impacted the Group's airframe and line maintenance segment.

SIAEC was quick and decisive in its response to mitigate the pandemic's impact on its business. Measures were implemented early in the crisis. These included the release of contract staff, an offer of voluntary no-pay leave and early retirement for full-

SUBSIDIARIES

SIA ENGINEERING COMPANY

time staff, salary cuts, and furlough. These helped to mitigate manpower surpluses and reduced operating costs. SIAEC continued to prudently manage its expenses and cash flow, and worked closely with its partners and joint venture companies to defer non-critical capital expenditure, as well as to conserve cash and maintain liquidity. With its strong balance sheet, supported by a strong cash position and low borrowings, SIAEC is well-positioned to weather the downturn while retaining its ability to invest in opportunities to bring new capabilities to the Group.

In response to the changing MRO needs of airline customers, SIAEC has increased cabin disinfection services for airline customers. Using the latest electrostatic spray equipment, which provides better efficacy compared to the traditional fogging method, it has achieved a 20% improvement in productivity and reduced turnaround time for each cabin disinfection. SIAEC has redeployed its manpower more efficiently to carry out preservation maintenance on aircraft in parking or storage condition, to ensure that customer aircraft remain airworthy. It has also introduced passenger-to-cargo space conversion solutions to increase the cargo capacity of passenger aircraft, supported hangar checks and engine changes for aircraft deleasing, and ramped up 3D printing of hand sanitiser fixtures for aircraft cabins.

As more aircraft gradually take to the skies, SIAEC is also providing a full suite of Return to Service checks to ensure that critical systems are fully functional for aircraft returning to service.

SIAEC continues to adopt the necessary safe management measures to ensure workplace safety and the well-being of all employees. A majority of its workforce has been vaccinated against Covid-19.

Powering up with transformation

Even as SIAEC navigates the challenges posed by the pandemic, it is powering ahead with the next phase of its transformation journey to strengthen its resilience, agility and competitiveness, and emerge well-poised for the gradual recovery in air travel.

SIAEC rolled out the second phase of its transformation efforts in January 2021. This will see SIAEC investing $40 million in areas such as digitalisation and automation to bring about higher efficiencies in operations, and add more value for its customers, while leveraging technology and digital tools to simplify and redefine jobs across different roles. The transformation will equip SIAEC staff with the necessary skills for a value-driven approach in process improvements by adopting Lean methodologies to improve its work processes.

As part of transformation efforts, pilot projects were introduced in both Line and Base Maintenance, where Lean methodologies were applied in its processes for certain checks done on the Boeing 787 aircraft. These have resulted in 25% to 30% improvement in check productivity levels. With the success of these projects, SIAEC is applying similar methodologies across other aspects of its operations.

Beyond skills and capabilities, the transformation journey will strengthen the culture of continuous improvement and create an active ecosystem where new ideas are constantly generated, and process improvement initiatives are sustained. This will complement SIAEC's Innovation Week, an annual event to encourage suggestions for new projects and to nurture an innovative culture amongst SIAEC staff.

SIAEC will continue to look out for new investment and partnership opportunities to strengthen its position as a trusted partner in the global MRO industry, while streamlining and rationalising its existing operations to optimise efficiency and value for its customers.

SILKAIR

The integration of SilkAir, the regional wing of Singapore Airlines (SIA), into the parent airline progressed in FY2020/21. More SilkAir pilots, cabin crew, and ground staff were progressively transferred to SIA during the year to support the integration activities.

In March 2021, SIA took over Phuket services from SilkAir, marking the start of the integration of flight operations. Additional SilkAir routes were transferred thereafter as a total of nine Boeing 737-800 NG aircraft were enhanced with the SIA cabin product, and transferred to the parent airline's fleet. The full integration of SilkAir's network into SIA will be completed in 2021.

Integrating SilkAir into Singapore Airlines is an important part of the SIA Group's strategy, enabling greater economies of scale and allowing it to deploy the right aircraft to meet the demand for air travel as it returns.

It also allows customers to enjoy SIA's award-winning suite of in-flight offerings on regional flights, including the world-class service offered by its cabin crew, enhanced food and beverage options, and the *KrisWorld* in-flight entertainment system via a web-based platform on the Boeing 737-800 aircraft. This also results in a consistent premium product across the Group's full-service network.

As at 31 March 2021, SilkAir's ongoing operating fleet consists of one Boeing 737-800 aircraft. This excludes six Boeing 737-8 MAX aircraft, which remain grounded. SIA and SilkAir continue to be guided by the regulators on the resumption of 737-8 MAX operations.

SUBSIDIARIES

SCOOT

The Covid-19 pandemic brought the global aviation industry to a standstill, severely impacting operations at Scoot, the low-cost subsidiary of Singapore Airlines (SIA). Responding nimbly and quickly, Scoot pivoted from carrying passengers to focusing on cargo and ramped up freight carriage capabilities during the year in review. Scoot also implemented additional health and safety measures across all customer touchpoints, introduced a new in-flight portal to provide peace of mind for customers in the new normal, enhanced its customer service tools and processes, as well as regularly reviewed its policies to ensure they address customer needs.

Network and fleet

During the financial year in review, Scoot introduced Balikpapan, Lombok, Makassar, Manado, Semarang and Yogyakarta to its network. These six Indonesian destinations were transferred from SilkAir, the regional wing of Singapore Airlines, and were mostly non-operational due to the pandemic. As of 31 March 2021, Scoot's services covered 18 destinations, including Singapore.

The airline actively sought opportunities to grow and diversify its freight capabilities. In March 2020, Scoot was one of the first airlines in the region to start operating bellyhold cargo-only flights using its Boeing 787-9 wide-body passenger aircraft as an alternative revenue stream. In May 2020, Scoot started operating cargo-only flights using its Airbus A320 narrow-body aircraft, with cargo also secured on passenger seats. In August 2020, Scoot removed all seats in the passenger cabins of two of its Airbus A320 aircraft, doubling the aircraft's cargo-carrying capacity to nearly 20 tonnes to better serve cities with smaller airports. During the fiscal year, Scoot operated more than 600 cargo charters, mainly on its Australia and China routes.

The carrier also mounted several repatriation flights between Australia and India, as well as between Singapore and India, Malaysia and the Philippines, during the year. This proved to be a lifeline to many customers, who wished to return home and connect with their loved ones amidst the lockdowns.

Scoot's ongoing operating fleet comprises 47 aircraft including 20 Boeing 787s and 27 Airbus A320 family aircraft. Another seven Boeing 787s, as well as 28 A320neo and 16 A321neo aircraft (of which 10 are direct leases), are on order. The A321neo will offer additional capacity and range compared to the A320 aircraft, and is scheduled to be delivered in the first quarter of FY2021/22. This will allow Scoot to enhance the customer experience through fleet renewal, enable the carrier to realise improved operating economics and environmental performance, and through its longer range open new destinations that were previously not possible.

Prioritising health and safety

Since the start of the Covid-19 pandemic, the airline has enhanced its operational procedures and implemented precautionary measures across all customer touchpoints to allow customers to travel with confidence. Some of the safety measures in place include enhanced aircraft cleaning and disinfection, antimicrobial treatments on high-touch surfaces in cabins, safe distancing measures across the customer journey, revised in-flight service procedures that reduce interactions between operating crew and passengers, and stringent health checks for flying crew. Scoot's aircraft are also equipped with cabin air filtration systems that have High Efficiency Particulate Air (HEPA) filters, which are up to 99.98% effective at trapping microscopic particles as small as bacteria and viruses.

In mid-January 2021, eligible Singapore-based Scoot staff were offered Covid-19 vaccinations as part of the Singapore government's decision to prioritise the aviation sector in its country-wide vaccination exercise. Less than a month after the roll-out, Scoot became the first low-cost carrier in the world to operate a flight with a full complement of vaccinated cabin crew and pilots. This milestone, together with wide-ranging infection control and safe management measures, provides greater assurance to operating crew and customers alike.

Before the Covid-19 pandemic, Scoot had consistently invested in technology to achieve productivity gains and operational efficiencies. This digital-first DNA allowed the airline to be nimble in adapting to the crisis. In December 2020, Scoot launched its ScootHub in-flight portal to serve as a one-stop shop for customer needs on board flights. This ranges from an ability to order food and beverage, to inspirational destination content and games.

This transition from physical to digital in-flight menus, duty-free catalogues, and magazines, reduces surface contact and physical interaction between customers and crew. It also contributes to the airline's sustainability efforts, with the transition estimated to reduce paper consumption by more than 156 tonnes. This translates to over 13 tonnes of fuel saved and over 41 tonnes of carbon dioxide emissions reduced a year across its fleet.

In recognition of its health and safety measures, Scoot was awarded the Diamond rating in the APEX Health Safety powered by SimpliFlying audit of global airlines – the first low-cost carrier in the world to be awarded this highest attainable rating.

Scoot also clinched a full seven stars in both safety and Covid-19 compliance in an airline safety rating by *Airline Rating*. This took into account factors such as the airline's safety records, audits from aviation governing bodies and leading associations, as well as the airline's compliance with international Covid-19 standards.

Providing flexibility and peace of mind

To allow customers to travel with greater peace of mind, Scoot enhanced its Scootsurance coverage in September 2020 to include pandemic cover (including Covid-19) at no extra charge. This covers pandemic-related overseas medical expenses, quarantine and hospitalisation allowance, and other costs arising from a Covid-19 infection. The product is available for flights departing from Singapore, Indonesia, mainland China, and Malaysia, with plans to roll it out in more markets.

Scoot also introduced a one-time free date change for new bookings made during the year to provide flexibility for customers. Customers whose flights were cancelled during this period were also offered a refund.

Improving the customer experience

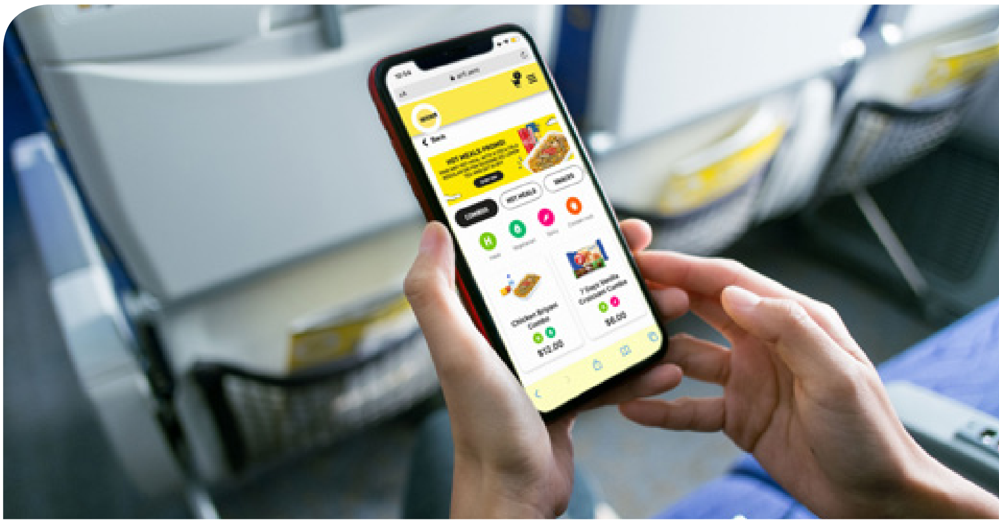
Since its launch in 2018, the abilities of Scoot's M.A.R.V.I.E. (Most Awesome and Resourceful Virtual Intern Ever) chatbot have expanded and improved over time. Besides Facebook, it can now be accessed on selected Scoot webpages for those without a Facebook account, and responds to customers in traditional Chinese.

Plans to provide support in other languages and platforms are in the product development pipeline. The flight check-in function via M.A.R.V.I.E. was introduced in August 2020 and is available for flights departing from Singapore. In the second quarter of 2021, customers can look forward to live agent support via M.A.R.V.I.E. on Scoot's website, enabling quicker response for queries that the chatbot is unable to resolve.

The pandemic has accelerated the push to find digital solutions to support greater operational efficiencies. Over the past year, Scoot prioritised rolling out self-service check-in options. As of 31 March 2021, web check-in is available in 41 airports. This includes all operating points in Australia, India, Japan, Malaysia, Singapore, South Korea, Taiwan, Thailand, and Vietnam. Mobile check-in via the Scoot mobile app was also introduced in July 2020, and is available for flights departing from selected operating stations, including Hong Kong SAR, Kaohsiung, Melbourne, Nanjing, Singapore, and Taipei. Self-service check-in kiosks and automated bag-drop facilities are also available in Singapore and Melbourne.

SUBSIDIARIES

SCOOT



Scoot has been conducting trials of two new digital solutions since March 2021 to offer customers a one-stop solution for Covid-19 pre-departure tests (PDT), and a more seamless process when verifying their test results. The first is an online portal that allows customers to book PDT appointments, make payment for tests, and receive results via a QR code, which can be authenticated digitally. The other initiative is a digital verification solution where check-in agents can authenticate Covid-19 test results quickly and reliably by scanning the QR code with a secure app.

Service recovery is also an aspect of the customer journey that ranks high on Scoot's priorities. In June 2020, Scoot introduced a third-party baggage tracking service that allows passengers to track and receive notifications on their baggage recovery status if their checked-in luggage is lost.

With this slew of improvements, Scoot's overall customer satisfaction score saw a year-on-year increase of 8 percentage points, with an average score of 84%. Scores for Covid-19 preventive measures averaged at around 81% during the year.

In Japan, Scoot was named the top low-cost carrier in AB-Road's 2020 Airline Satisfaction Survey. This was a significant improvement from 2019, where the airline was placed fourth. Scoot was also the only low-cost carrier to make it to the top 20 airlines among all airlines operating to Japan.

Giving back to the community

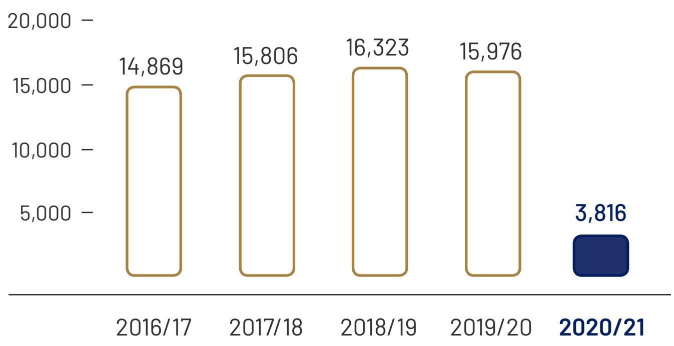
As part of its corporate social responsibility commitments, Scoot established a platform for staff to make a difference through volunteering. As Covid-19 spread across the globe, Scoot ramped up its staff volunteering efforts to support the community. Together with its external partners, Scoot organised more than 130 sessions of community outreach activities. A total of 780 Scoot employees, including office-based staff, cabin crew and pilots, contributed around 9,000 volunteering hours. Activities included preparing and distributing meals to the elderly, low-income households and migrant workers at the Willing Hearts Soup Kitchen, packing and distributing food for the underprivileged at Food from the Heart, delivering meals to the elderly under TOUCH Community Services' Meals on Wheels programme, distribution of masks and National Day Parade Funpacks, as well as bottling hand sanitisers for the migrant worker community.

To honour healthcare workers and bring festive cheer to vulnerable children and their families, Scoot also organised a year-end Scoot-mas surprise in December 2020. Beneficiaries from Life Community and Pasir Ris Family Service Centre and healthcare workers from SingHealth Group were treated to a series of fun activities, an aircraft tour and an in-flight feast.

FINANCIAL REVIEW

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

REVENUE
($ million)

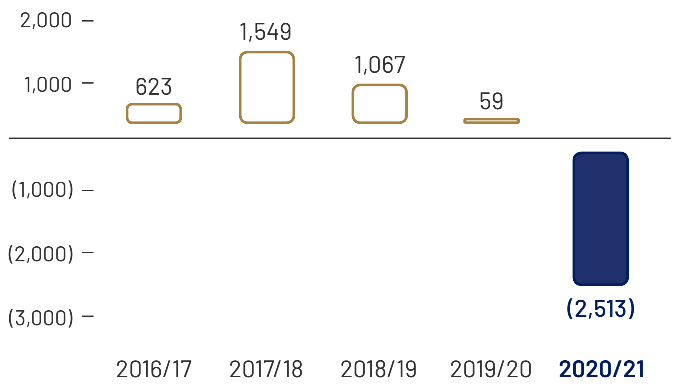


TOTAL REVENUE

$3,816 million

(-$12,160 million, -76.1%)

OPERATING PROFIT/(LOSS)
($ million)

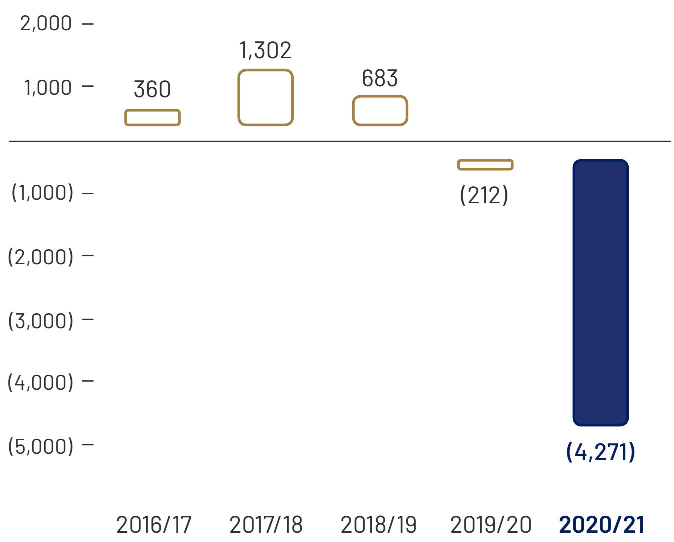


OPERATING LOSS

$2,513 million

(-$2,572 million)

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY
($ million)



LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

$4,271 million

(-$4,059 million)

FINANCIAL REVIEW

PERFORMANCE OF THE GROUP

KEY FINANCIAL HIGHLIGHTS

	2020/21	2019/20	% Change	
Loss For The Year ($ million)				
Revenue	3,815.9	15,975.9	- 76.1	
Expenditure	6,328.4	15,916.8	- 60.2	
Operating (loss)/profit	(2,512.5)	59.1	n.m.	
Loss attributable to owners of the Company	(4,270.7)	(212.0)	n.m.	
Per Share Data (cents)				
Loss per share – basic	(115.6)	(11.2)	n.m.	
Ordinary dividend per share	–	8.0	- 100.0	
Ratios (%)				
Return on equity holders' funds	(33.9)	(1.9)	- 32.0	points
Return on total assets	(12.0)	(0.5)	- 11.5	points

n.m. - not meaningful

GROUP LOSS

Group operating loss for the financial year was $2,513 million, a reversal of $2,572 million from last year's operating profit, as the Covid-19 pandemic remained an ongoing threat to the global aviation industry with border controls instituted in most countries. The deterioration in operating performance was predominantly attributable to a plunge in passenger flown revenue across Singapore Airlines, SilkAir and Scoot – the three passenger airlines within the Group, partially mitigated by lower expenditure amid capacity cuts, cost management measures, and government support schemes.

Group revenue fell by $12,160 million (-76.1%) year-on-year to $3,816 million due to the plunge in passenger flown revenue across the three passenger airlines. This was partially offset by higher cargo flown revenue, which rose by $758 million (+38.8%) year-on-year to $2,709 million. Improvements in freighter utilisation and deployment of passenger aircraft for cargo-only flights partially mitigated the loss of passenger aircraft bellyhold capacity during the pandemic. Strong air cargo demand, especially in key segments such as e-commerce, pharmaceuticals and electronics, provided strong support for both cargo load factors and yields amid tight industry cargo capacity.

	2020/21 $ million	2019/20 $ million	% Change
Singapore Airlines	3,422.1	12,918.0	- 73.5
SilkAir	30.1	888.2	- 96.6
Scoot	125.7	1,624.8	- 92.3
SIA Engineering	163.4	444.9	- 63.3
Others	74.6	100.0	- 25.4
Total revenue	**3,815.9**	**15,975.9**	**- 76.1**

GROUP LOSS (CONTINUED)

Group expenditure decreased $9,588 million (-60.2%) year-on-year to $6,329 million.

Fuel cost after hedging fell by $3,620 million (-78.1%) to $1,016 million, largely from decrease in volume uplifted (-$3,410 million), a 37.3% decrease in average jet fuel prices (-$410 million) and a weaker US Dollar against the Singapore Dollar (-$4 million), partially offset by higher fuel hedging losses (+$204 million).

Non-fuel costs decreased $5,472 million (-51.8%), mainly attributable to capacity cuts, cost management measures, and government grants received.

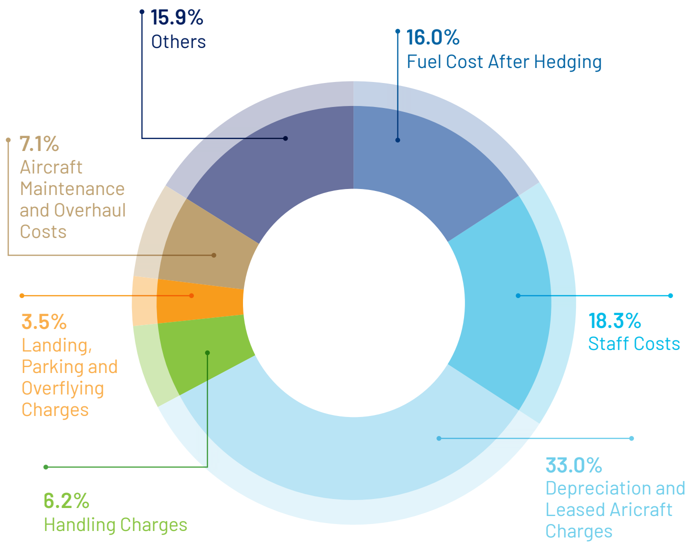
Mark-to-market losses of $214 million (-$496 million) were recognised in relation to ineffective fuel hedges. Following downward adjustments to the expected rate of capacity recovery, and the corresponding fuel consumption, more fuel hedges were deemed ineffective and mark-to-market losses were recognised in the profit or loss, partially offset by revaluation gains on fuel derivatives as fuel prices before hedging rose. The Group has paused fuel hedging activity since March 2020.

The Group recorded an operating loss of $2,513 million for the financial year ended 31 March 2021, a deterioration of $2,572 million from last year. All major companies in the Group were impacted by the downturn in the aviation industry and recorded significantly weaker operating performance over last year. Please refer to the review of the Company and subsidiary companies for further details.

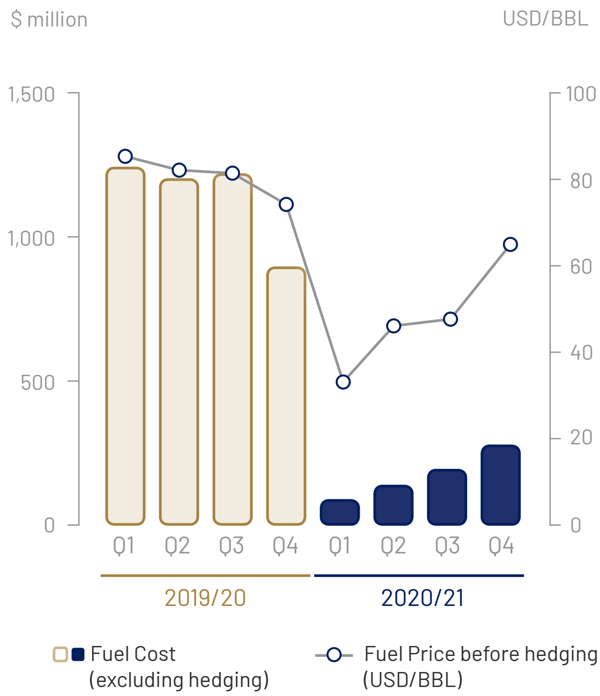
The Group's net loss for the year widened $4,059 million to $4,271 million. This was mainly driven by the weaker operating performance (-$2,572 million) as well as non-cash impairment charges, partially offset by higher tax credit (+$623 million). The impairment charges include:

- Impairment charge of $1,734 million recorded on 45 older generation aircraft deemed surplus to fleet requirements, following reviews of the network requirements and market values of the fleet;
- Impairment of goodwill of $170 million, that was recorded when the Parent Airline Company first gained control of Tiger Airways in October 2014, after a review of the impact of Covid-19 on business conditions during the year; and
- SIA Engineering Company's impairment of base maintenance assets ($37 million) due to significant decline in hangar revenue projections, and an $11 million impairment on an investment in an engine programme.

GROUP EXPENDITURE



QUARTERLY TREND OF GROUP FUEL PRICE AND FUEL COST (EXCLUDING HEDGING)



FINANCIAL REVIEW

PERFORMANCE OF THE GROUP (CONTINUED)

FINANCIAL POSITION

Equity attributable to owners of the parent increased by $6,592 million (+70.8%) to $15,906 million as at 31 March 2021, largely due to issuance of shares (+$5,324 million) and mandatory convertible bonds (+$3,496 million), and fair value movement on cash flow hedges (+$1,972 million), partially offset by net loss for the financial year (-$4,271 million). The fair value movement on cash flow hedges was primarily attributable to lower losses in the fair values of outstanding fuel hedges driven by the rebound in average forward prices, and transfer of losses from fair value reserve to profit or loss upon settlement of contracts.

Total Group assets increased $3,868 million (+11.5%) to $37,581 million. The increase was mainly due to an increase in cash and bank balances (+$5,098 million) and right-of-use ("ROU") assets (+$918 million), partially offset by a decrease in property, plant and equipment (-$2,003 million).

Cash and bank balances increased mainly due to net proceeds from fund-raising activities during the financial year (+$16,632 million) and disposal of short-term investments (+$740 million), partially offset by repayment of debt (-$4,344 million), cash used in operating activities (-$3,292 million), capital expenditure (-$2,696 million), purchase of short-term investments (-$585 million), repayment of lease liabilities (-$516 million), redemption of medium term notes (-$500 million) and capital injection in Vistara (-$212 million).

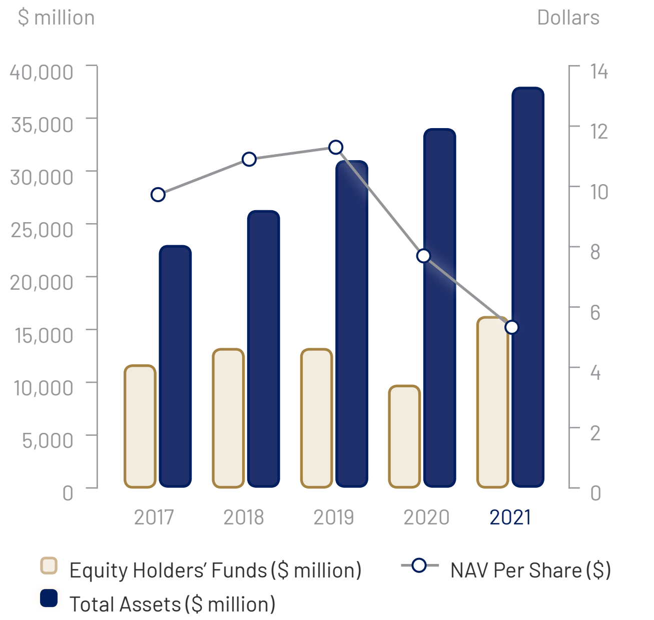
During the financial year, the Group entered into sale-and-leaseback arrangements for seven aircraft and new leases for 12 engines, contributing to the increase in ROU assets. This was partially offset by depreciation and impairment of surplus aircraft.

The decrease in property, plant and equipment was mainly attributable to depreciation and impairment of surplus aircraft and base maintenance assets, partially offset by capital expenditure.

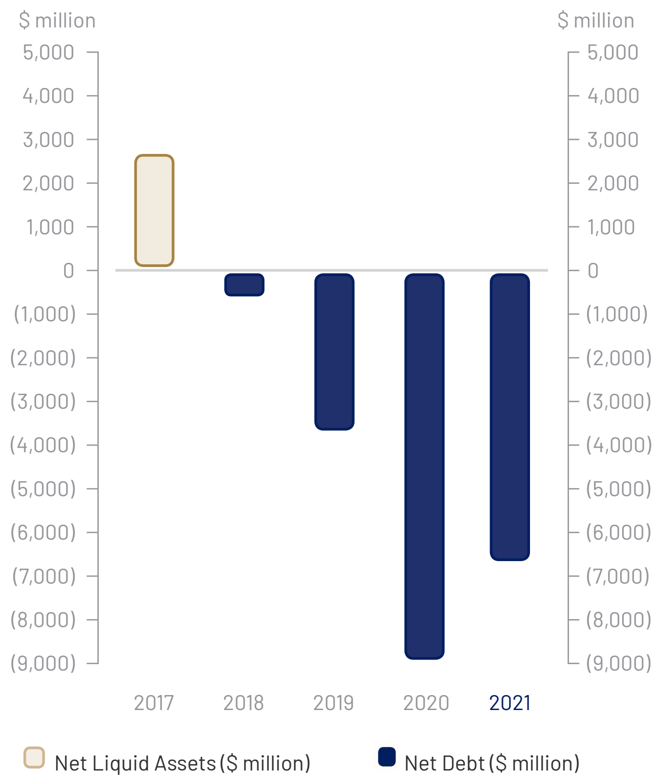
Total Group liabilities decreased by $2,677 million (-11.2%) to $21,303 million as at 31 March 2021, primarily due to a decrease in derivative liabilities (-$3,003 million) and sales in advance of carriage (-$1,473 million), partially offset by increase in borrowings (+$1,648 million).

The Group's net debt[R1] was $6,282 million as at 31 March 2021, a decrease of $2,394 million from the prior year, primarily attributable to increase in cash and bank balances (-$5,098 million), partially offset by higher total debt from bonds issued (+$1,436 million), additional loans net of repayment (+$212 million) and lease liabilities (+$904 million). Total debt to equity ratio decreased from 1.27 times to 0.90 times as at 31 March 2021.

GROUP EQUITY HOLDERS' FUNDS, TOTAL ASSETS AND NET ASSET VALUE (NAV) PER SHARE



GROUP NET LIQUID ASSETS AND NET DEBT



[R1] *Net debt is defined as lease liabilities, loans and bonds issued, net of the sum of cash and bank balances and short-term investments.*

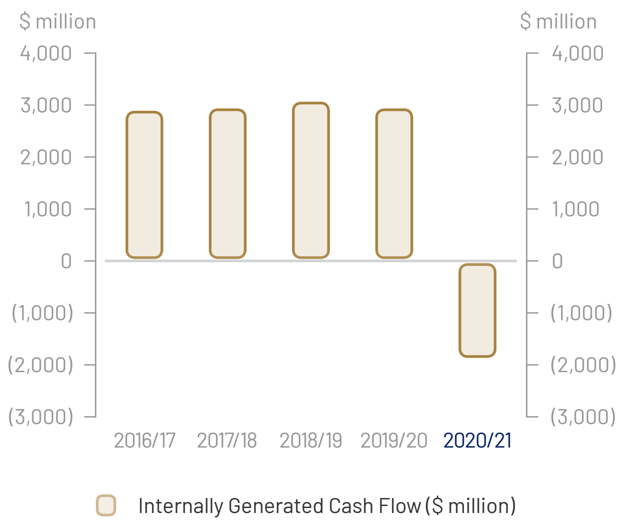
DIVIDENDS

For the financial year ended 31 March 2021, the Board recommends that no final dividend be declared, given the significant loss incurred by the SIA Group and the need to conserve cash. No interim dividend was declared during the financial year.

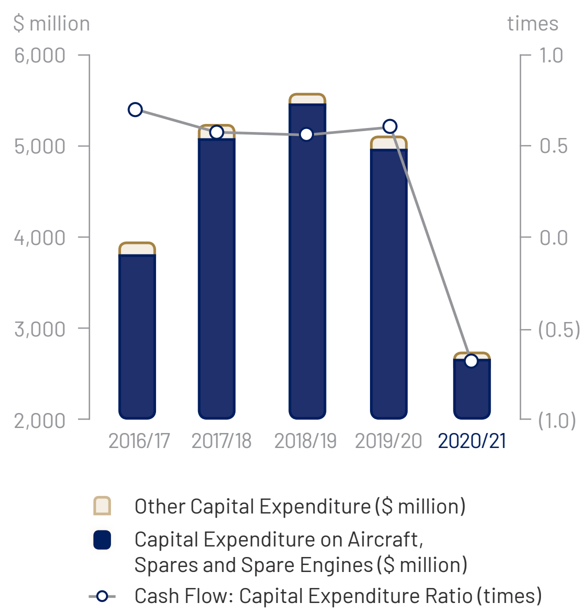
CAPITAL EXPENDITURE AND CASH FLOW OF THE GROUP

Capital expenditure was $2,696 million, 47.2% lower than last year. Approximately 98% of the capital spending was on aircraft, spares and spare engines. Internally generated cash outflow of $1,848 million, a decline of $4,925 million from last year's cash inflow, was approximately 69% of capital expenditure. The drop in internally generated cash flow was attributable to lower cash flow from operations and dividends received from associated and joint venture companies, partially offset by higher proceeds from sale and leaseback transactions and from disposal of aircraft, spares and spare engines.

INTERNALLY GENERATED CASH FLOW



GROUP CAPITAL EXPENDITURE



GROUP STAFF STRENGTH AND PRODUCTIVITY

The Group's staff strength as at 31 March 2021 was as follows:

	31 March			
	2021	2020	% Change	
Singapore Airlines	14,375	17,204	-	16.4
SIA Engineering	5,658	6,848	-	17.4
SilkAir	575	1,389	-	58.6
Scoot	1,976	2,406	-	17.9
Others	350	313	+	11.8
	22,934	28,160	-	18.6

Average staff productivity was as follows:

	2020/21	2019/20	% Change	
Revenue per employee ($)	149,368	578,439	-	74.2
Value added per employee ($)	23,208	172,899	-	86.6

FINANCIAL REVIEW

PERFORMANCE OF THE GROUP (CONTINUED)

STATEMENTS OF VALUE ADDED AND ITS DISTRIBUTION

Value added is a measure of wealth created. The statement below shows the Group's value added and its distribution by way of payments to employees, government, and to those who have provided capital. It also indicates the portion retained in the business for future capital requirements.

	2020/21 $ million	2019/20 $ million
Total revenue	3,815.9	15,975.9
Less: Purchase of goods and services	(3,024.2)	(11,147.3)
	791.7	4,828.6
Add:		
Interest income	35.4	42.1
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(27.0)	6.9
Dividends from long-term investments	8.4	3.2
Other non-operating items	(127.8)	(31.9)
Share of profits of joint venture companies	16.6	49.3
Share of losses of associated companies	(104.4)	(122.9)
Total value added for distribution	**592.9**	**4,775.3**
Applied as follows:		
To employees:		
- Salaries and other staff cost	1,160.5	2,563.6
To government:		
- Corporation taxes	(648.8)	(45.7)
To suppliers of capital:		
- Interim and proposed dividends	-	94.8
- Finance charges	267.9	220.9
- Non-controlling interests	(12.7)	42.6
Retained for future capital requirements:		
- Depreciation, amortisation and impairment	4,096.7	2,205.9
- Retained loss	(4,270.7)	(408.4)
Total value added	**592.9**	**4,775.3**
Value added per $ revenue ($)	0.16	0.30
Value added per $ employment cost ($)	0.51	1.86
Value added per $ investment in property, plant and equipment ($)	0.02	0.15

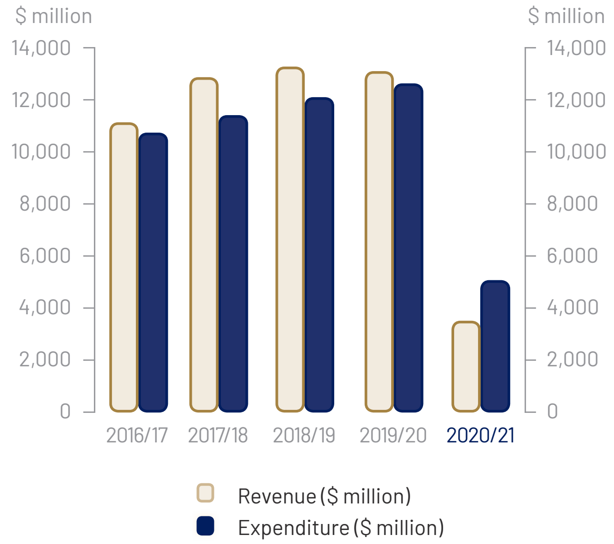
PERFORMANCE OF THE COMPANY

EARNINGS

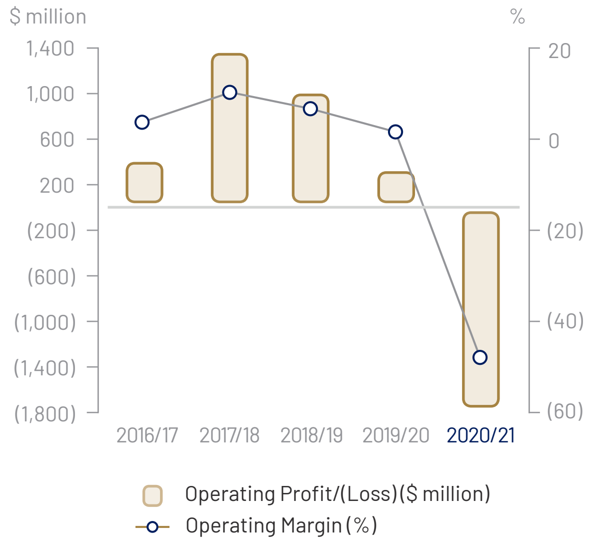
	2020/21 $ million	2019/20 $ million	% Change	
Revenue	3,450.4	13,012.7	-	73.5
Expenditure	5,152.1	12,718.5	-	59.5
Operating (loss)/profit	(1,701.7)	294.2		n.m.
Finance charges	(242.5)	(197.3)	+	22.9
Interest income	83.1	91.1	-	8.8
Impairment of aircraft	(1,507.4)	-		n.m.
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(24.4)	6.8		n.m.
Dividends from subsidiary and associated companies	59.9	101.5	-	41.0
Dividends from long-term investments	8.4	3.1	+	171.0
Other non-operating items	(35.9)	(589.7)	-	93.9
Loss before taxation	(3,360.5)	(290.3)		n.m.
Taxation	519.4	6.8		n.m.
Loss after taxation	(2,841.1)	(283.5)		n.m.

n.m. - not meaningful

COMPANY REVENUE AND EXPENDITURE



OPERATING PROFIT/(LOSS) AND OPERATING MARGIN



FINANCIAL REVIEW

PERFORMANCE OF THE COMPANY (CONTINUED)

REVENUE

	2020/21 $ million	2019/20 $ million	Change $ million		Change %	
Passenger flown revenue	538.8	10,392.3	-	9,853.5	-	94.8
Cargo and mail revenue	2,709.0	1,951.4	+	757.6	+	38.8
Others	202.6	669.0	-	466.4	-	69.7
Total operating revenue	3,450.4	13,012.7	-	9,562.3	-	73.5

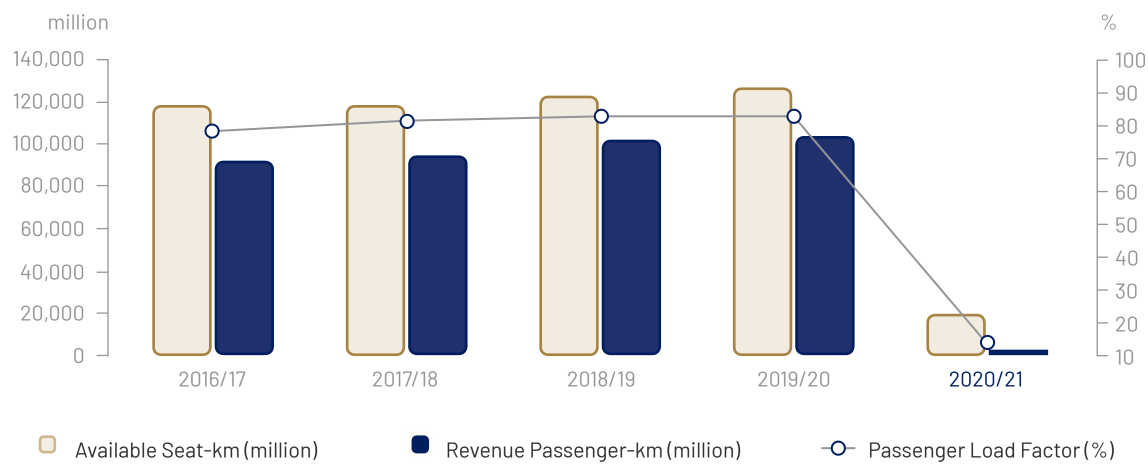
The Company's revenue fell 73.5% to $3,450 million, predominantly due to lower passenger flown revenue and other revenue, partly offset by higher cargo and mail revenue. Decrease in other revenue was mainly attributable to lower service fee revenue, ticket breakage revenue, revenue from lease of aircraft, and non-scheduled services revenue.

OPERATING PERFORMANCE – PASSENGER SEGMENT

	2020/21	2019/20	% Change		
Passengers carried (thousand)	457	20,906	-	97.8	
Revenue passenger-km (million)	2,581.6	104,134.6	-	97.5	
Available seat-km (million)	19,253.7	127,165.8	-	84.9	
Passenger load factor (%)	13.4	81.9	-	68.5	points
Passenger yield (¢/pkm)	20.9	10.0	+	109.0	
Revenue per available seat-km (¢/ask)	2.8	8.2	-	65.9	
Passenger unit cost (¢/ask)	12.0	8.0	+	50.0	

For the year, the Company's passenger carriage plummeted 97.5% as international air travel came close to a standstill as most countries enacted border controls to curb the spread of Covid-19 infections. Passenger load factor was 13.4%, down 68.5 percentage points year-on-year as the slump in passenger carriage outpaced capacity cuts of 84.9%.

CAPACITY, PASSENGER TRAFFIC AND LOAD FACTOR



OPERATING PERFORMANCE – PASSENGER SEGMENT (CONTINUED)

A review of the Company's passenger segment operations by route region is as follows:

	By Route Region[R2] (2020/21 against 2019/20)		
	Passengers Carried Change (thousand)	Revenue Passenger-KM % Change	Available Seat-KM % Change
East Asia	- 10,213	- 98.2	- 89.2
Americas	- 1,519	- 98.2	- 87.9
Europe	- 2,315	- 96.1	- 74.6
South West Pacific	- 3,800	- 97.1	- 84.6
West Asia and Africa	- 2,602	- 99.0	- 93.9
Systemwide	- 20,449	- 97.5	- 84.9

Passenger load factor by route region was as follows:

	Passenger Load Factor (%)		
	2020/21	2019/20	% Change points
East Asia	13.4	78.8	- 65.4
Americas	12.5	81.7	- 69.2
Europe	12.6	82.9	- 70.3
South West Pacific	15.4	84.7	- 69.3
West Asia and Africa	13.2	82.4	- 69.2
Systemwide	13.4	81.9	- 68.5

A breakdown of passenger revenue by route region and area of original sale is shown below:

	By Route Region ($ million)			By Area of Original Sale[R3] ($ million)		
	2020/21	2019/20	% Change	2020/21	2019/20	% Change
East Asia	141.1	3,330.5	- 95.8	292.3	5,356.7	- 94.5
Americas	61.8	1,654.6	- 96.3	34.8	844.5	- 95.9
Europe	177.9	2,318.4	- 92.3	105.0	1,716.0	- 93.9
South West Pacific	139.0	2,039.3	- 93.2	89.1	1,716.8	- 94.8
West Asia and Africa	19.0	1,049.5	- 98.2	17.6	758.3	- 97.7
Systemwide	538.8	10,392.3	- 94.8	538.8	10,392.3	- 94.8

R2 *Each route region comprises routes originating from Singapore to final destinations in countries and territories within the region concerned and vice versa. Due to Covid-19, the carrier operated a reduced network during the year. East Asia covers Brunei, Cambodia, Hong Kong SAR, Indonesia, Japan, South Korea, Malaysia, People's Republic of China, Myanmar, Philippines, Thailand, Taiwan and Vietnam. Americas denotes USA. Europe consists of Denmark, England, France, Germany, Italy, Russia, Spain, Switzerland, The Netherlands and Turkey. South West Pacific covers Australia and New Zealand. West Asia and Africa are made up of Bangladesh, Maldives, South Africa, Sri Lanka and United Arab Emirates.*

R3 *Each area of original sale comprises countries and territories within a region from which the sale is made.*

FINANCIAL REVIEW

PERFORMANCE OF THE COMPANY (CONTINUED)

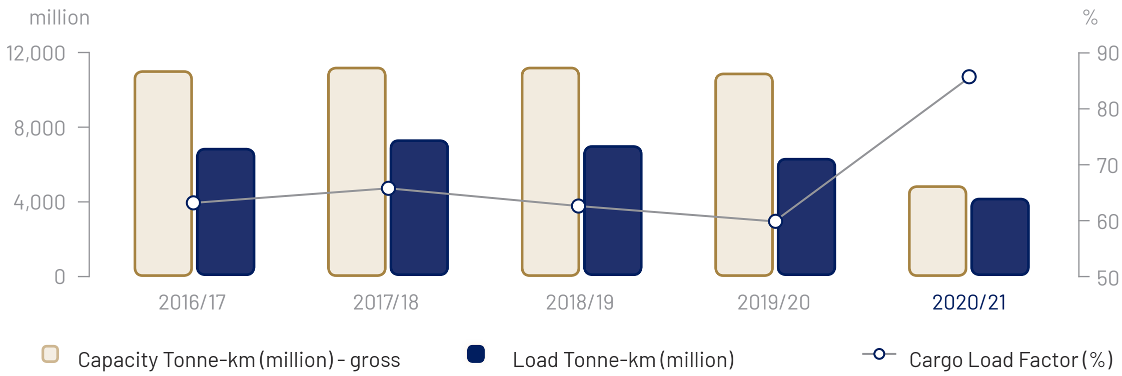
OPERATING PERFORMANCE – CARGO SEGMENT

	2020/21	2019/20	% Change
Cargo and mail carried (million kg)	734.0	1,205.0	- 39.1
Cargo load tonne-km (million)	4,111.9	6,389.2	- 35.6
Cargo capacity tonne-km (million) - gross	4,795.1	10,778.2	- 55.5
Cargo load factor (%)	85.8	59.3	+ 26.5 points
Cargo yield (¢/ltk)	65.9	30.5	+ 116.1
Cargo unit cost (¢/ask)	32.3	16.4	+ 97.0

The more than two-fold increase in cargo yield was largely driven by an industry-wide bellyhold capacity crunch, further lifted by increased movement of medical and other essential goods at the start of the pandemic. As economies emerged from Covid-19 related lockdowns and manufacturing resumed in the latter part of the calendar year, cargo demand rebounded with notable performance from the e-commerce, semiconductor and pharmaceutical sectors. An ongoing ocean freight capacity crunch towards the end of the financial year further contributed to demand for airfreight.

Cargo load factor jumped 26.5 percentage points year-on-year, as the 35.6% drop in loads carried trailed the 55.5% contraction in capacity.

CAPACITY, LOADS CARRIED AND LOAD FACTOR



A review of the cargo segment's operating performance by route region is as follows:

	By Route Region (2020/21 against 2019/20)		
	Loads Carried KG Change (million)	Load Tonne-KM % Change	Capacity Tonne-KM % Change
East Asia	- 237.4	- 37.2	- 63.2
Americas	- 23.2	- 25.0	- 43.0
Europe	- 48.6	- 31.5	- 47.1
South West Pacific	- 86.0	- 41.0	- 58.6
West Asia and Africa	- 75.8	- 48.2	- 65.8
Systemwide	- 471.0	- 35.6	- 55.5

OPERATING PERFORMANCE – CARGO SEGMENT (CONTINUED)

Cargo load factor[R4] by route region was as follows:

	Cargo Load Factor (%)		
	2020/21	2019/20	% Change points
East Asia	91.1	53.4	+ 37.7
Americas	79.5	60.4	+ 19.1
Europe	90.2	69.6	+ 20.6
South West Pacific	74.8	52.5	+ 22.3
West Asia and Africa	103.4	68.4	+ 35.0
Systemwide	85.8	59.3	+ 26.5

The Company's cargo and mail revenue decreased in 2020/21, as a result of:

	$ million	$ million
35.6% decrease in loads carried:		– 695.5
116.1% increase in cargo yield:		
Local currency yields	+ 1,416.1	
Foreign exchange	+ 37.0	+ 1,453.1
Increase in cargo and mail revenue		+ 757.6

The sensitivity of cargo and mail revenue to a one percentage point change in cargo load factor and a one percentage point change in cargo yield is as follows:

	$ million
1.0%-point change in cargo load factor, if yield and capacity remain constant	31.6
1.0% change in cargo yield, if loads carried remains constant	27.1

A breakdown of cargo and mail revenue by route region and area of original sale is shown below:

	By Route Region ($ million)			By Area of Original Sale[R5] ($ million)		
	2020/21	2018/19	% Change	2020/21	2019/20	% Change
East Asia	882.8	608.5	+ 45.1	1,824.6	1,227.0	+ 48.7
Americas	379.7	281.6	+ 34.8	85.5	83.4	+ 2.5
Europe	632.2	449.9	+ 40.5	422.9	337.2	+ 25.4
South West Pacific	583.8	397.9	+ 46.7	209.0	162.7	+ 28.5
West Asia and Africa	230.5	213.5	+ 8.0	167.0	141.1	+ 18.4
Systemwide	2,709.0	1,951.4	+ 38.8	2,709.0	1,951.4	+ 38.8

R4 *Cargo capacity for passenger aircraft is based on the payload that is typically set aside for cargo carriage. However, when a passenger aircraft operates with low passenger loads or on a pure cargo mission, the cargo carried could be in excess of such capacity.*

R5 *Each area of original sale comprises countries and territories within a region from which the sale is made.*

FINANCIAL REVIEW

PERFORMANCE OF THE COMPANY (CONTINUED)

EXPENDITURE

The Company's expenditure decreased 59.5% to $5,152 million in 2020/21.

	2020/21		2019/20		%
	$ million	%	$ million	%	Change
Fuel costs	953.9	18.5	3,819.8	30.0	- 75.0
Fuel hedging ineffectiveness	130.4	2.5	587.5	4.6	- 77.8
Staff costs	822.8	16.0	1,756.9	13.8	- 53.2
Depreciation	1,683.3	32.7	1,710.7	13.5	- 1.6
Handling charges	451.6	8.8	1,163.3	9.1	- 61.2
Aircraft maintenance and overhaul costs	297.7	5.8	624.5	4.9	- 52.3
In-flight meals and other passenger costs	38.5	0.7	668.4	5.3	- 94.2
Airport and overflying charges	204.6	4.0	698.8	5.5	- 70.7
Sales costs	(18.5)	(0.4)	698.4	5.5	n.m.
Communications and information technology costs	116.3	2.3	124.3	1.0	- 6.4
Other costs	471.5	9.1	865.9	6.8	- 45.5
Total	5,152.1	100.0	12,718.5	100.0	- 59.5

n.m. - not meaningful

A breakdown of fuel costs is shown below:

	2020/21 $ million	2019/20 $ million	Change $ million
Fuel costs (before hedging)	651.5	3,714.8	- 3,063.3
Fuel hedging loss	302.4	105.0	+ 197.4
	953.9	3,819.8	- 2,865.9

Expenditure on fuel before hedging was $3,063 million lower because of:

	$ million
71.8% decrease in volume uplifted from 34.1 million BBL to 9.6 million BBL	- 2,672.9
37.1% decrease in weighted average fuel price from 79.7 USD/BBL to 50.1 USD/BBL	- 387.0
Weaker USD against SGD	- 3.4
	- 3,063.3

Fuel hedging ineffectiveness of $130 million was recognised in relation to mark-to-market losses from ineffective fuel hedges, a decrease of $457 million from last year.

Staff costs were $934 million (-53.2%) lower year-on-year, largely attributable to lower crew allowances, government grants and staff cost management measures.

Non-fuel variable costs declined significantly as the Parent Airline Company made significant capacity cuts and operated on a vastly reduced network during the financial year. The main variable cost items included handling charges (-$712 million, -61.2%), aircraft maintenance and overhaul costs (-$327 million, -52.3%), in-flight meals and other passenger costs (-$630 million, -94.2%), airport and overflying charges (-$494 million, -70.7%), and sales costs (-$717 million, n.m.).

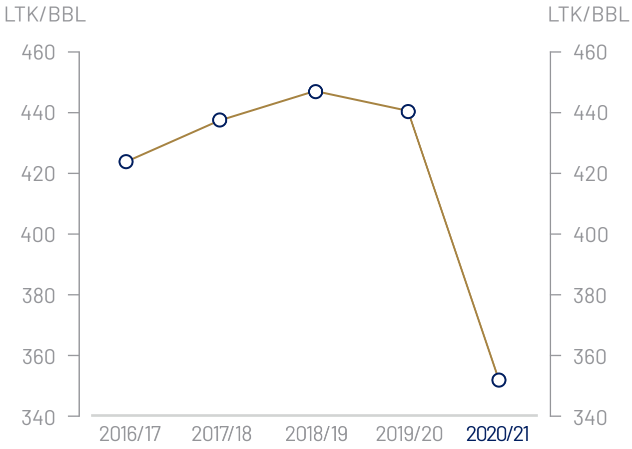
FUEL PRODUCTIVITY AND SENSITIVITY ANALYSIS

Fuel productivity of the passenger fleet, measured by load tonne-km per barrel (ltk/BBL), decreased 21.7% from 446ltk/BBL to 349ltk/BBL, mainly due to the decrease in load factor when air travel demand collapsed amidst the Covid-19 outbreak.

A change in fuel productivity of 1.0% would have an impact on the Company's annual fuel costs before hedging by about $3 million, before accounting for changes in fuel price, USD exchange rate and flying operations.

A change in the price of fuel before hedging of one US dollar per barrel affects the Company's annual fuel cost for passenger fleet by about $5 million, before accounting for USD exchange rate movements, and changes in volume of fuel consumed.

FUEL PRODUCTIVITY OF PASSENGER FLEET



NET FINANCE CHARGES

Net finance charges rose $53 million, mainly due to additional borrowings to finance operating and capital expenditure, and lower interest income from lower deposit rates. The Company raised $4,415 million from bank loans and $2,013 million from bonds issuance during the financial year, at rates ranging from 1.14% to 3.50% per annum.

IMPAIRMENT OF AIRCRAFT

During the financial year, the SIA Group reviewed its long-term network in the context of the Covid-19 pandemic and determined that 45 older generation aircraft are in surplus to network requirements. For the Company, the assessment resulted in a $1,507 million impairment charge.

DISPOSAL OF AIRCRAFT, SPARES AND SPARE ENGINES

The loss on disposal of $24 million was primarily attributable to net loss on the trade-in of six classic 777 aircraft.

DIVIDENDS FROM SUBSIDIARY AND ASSOCIATED COMPANIES

Dividends from subsidiary and associated companies were $42 million lower than last year mainly due to lower dividends from SIA Engineering Company.

OTHER NON-OPERATING ITEMS

Other non-operating items reduced by $554 million, primarily due to the absence of impairment losses recorded last year on investments in associated companies Virgin Australia Holdings ($344 million) and Vistara ($232 million).

TAXATION

Tax credit increased by $513 million to $519 million, due to a larger loss before taxation this year.

FINANCIAL REVIEW

PERFORMANCE OF THE COMPANY (CONTINUED)

STAFF STRENGTH AND PRODUCTIVITY

The Company's staff strength as at 31 March 2021 was 14,375, a decline of 2,829 over the previous year. The distribution of employee strength by category and location is as follows:

	31 March		
	2021	**2020**	**% Change**
Category			
Senior staff (executives and higher-ranking officers)	1,925	2,072	- 7.1
Technical crew	2,427	2,369	+ 2.4
Cabin crew	6,887	9,266	- 25.7
Other ground staff	3,136	3,497	- 10.3
	14,375	17,204	- 16.4
Location			
Singapore	12,100	14,704	- 17.7
East Asia	995	1,070	- 7.0
Europe	475	533	- 10.9
South West Pacific	333	391	- 14.8
West Asia and Africa	323	340	- 5.0
Americas	149	166	- 10.2
	14,375	17,204	- 16.4

The Company's average staff productivity ratios[R6] are shown below:

	2020/21	2019/20	% Change
Capacity per employee (tonne-km)	430,459	1,416,772	- 69.6
Revenue per employee ($)	218,518	776,414	- 71.9
Value added per employee ($)	56,713	201,348	- 71.8

[R6] *The Company's staff productivity ratios were computed based on average staff strength of 15,790 in 2020/21 (2019/20: 16,760).*

PERFORMANCE OF THE SUBSIDIARY COMPANIES

The major subsidiary companies are SIA Engineering, SilkAir and Scoot. The following performance review includes intra-group transactions.

SIA ENGINEERING

	2020/21 $ million	2019/20 $ million	% Change
Total revenue	443.0	994.1	- 55.4
Total expenditure	462.0	926.4	- 50.1
Operating (loss)/profit	(19.0)	67.7	n.m.
Net (loss)/profit	(11.2)	193.8	n.m.

The SIAEC Group ended the fiscal year with an operating loss of $19 million, a reversal from last year's profit of $68 million. Revenue at $443 million was $551 million (-55.4%) lower, a consequence of the sharp reduction in business volume following the onset of the Covid-19 pandemic.

In line with the lower business activity, expenditure fell by 50.1% or $464 million to $462 million, contributed by staff costs and subcontract costs. Government wage support schemes and cost-saving measures helped to reduce manpower costs, alongside tighter control over expenses and deferment of non-critical expenses.

Share of profits from associated and joint venture companies was $40 million, $88 million (-68.8%) lower year-on-year. The decline in performance was largely due to the reduction in flying activity and aircraft maintenance frequency.

Net loss for the year ended 31 March 2021 was $11 million, against a profit of $194 million in the previous year (-$205 million). This was mainly due to the weaker operating performance and lower share of profits from associated and joint venture companies. During the year, the SIAEC Group recorded impairment on its base maintenance assets and an investment in an engine programme ($48 million), a result of the pandemic. These were partially mitigated by tax credits this year against expense last year (+$30 million).

Basic loss per share was 1.00 cent for the current financial year.

SILKAIR

	2020/21 $ million	2019/20 $ million	% Change
Total revenue	34.9	906.0	- 96.1
Total expenditure	254.7	1,018.3	- 75.0
Operating loss	(219.8)	(112.3)	- 95.7
Loss after taxation	(342.4)	(103.8)	n.m.

SilkAir's revenue decreased by $871 million (-96.1%) to $35 million, due to lower passenger flown revenue on a 98.9% reduction in passenger carriage. Load factor fell 40.8 percentage points to 36.5%, with the decline in passenger carriage partly mitigated by capacity reduction (-97.7%).

Operating expenditure was 75.0% lower (-$763 million), as the reduction in capacity drove savings in ex-fuel variable cost. In addition, cost management initiatives were exercised to further reduce discretionary expenses, on top of government support schemes.

Taken together, SilkAir incurred an operating loss of $220 million for the fiscal year, $108 million worse than last year.

Loss after tax for SilkAir widened by $238 million to $342 million. In addition to the weaker operating performance, SilkAir recorded impairment charges on aircraft ($156 million) that were deemed surplus to network requirements. SilkAir also recognised higher restructuring costs (+$27 million), due to the ongoing integration with the Parent Airline Company. These were partly mitigated by higher tax credits (+$52 million) on the larger operating losses.

FINANCIAL REVIEW

PERFORMANCE OF THE SUBSIDIARY COMPANIES (CONTINUED)

SCOOT

	2020/21 $ million	2019/20 $ million	% Change
Total revenue	212.3	1,680.6	- 87.4
Total expenditure	782.0	1,878.3	- 58.4
Operating loss	(569.7)	(197.7)	- 188.2
Loss after taxation	(676.9)	(251.9)	- 168.7

Scoot's operating loss widened by $372 million to $570 million, led by a sharp drop in revenue (-87.4%), partly offset by lower expenditure (-58.4%).

Revenue contraction for the year was primarily due to a 99.2% dip in passenger carriage, as the Covid-19 pandemic continues to dampen travel. For the year, passenger load factor for the carrier was 9.9%, a 75.8 percentage-point decline compared to last year.

Expenditure fell 58.4%, mainly due to lower ex-fuel variable costs from a reduction in capacity (-93.3%), further supported by the implementation of cost management measures to control expenses. Government support packages introduced during the year helped defray additional costs.

Scoot's loss after tax was $677 million, $425 million larger than last year, primarily due to the weaker operating performance (-$372 million). Furthermore, the carrier recorded an impairment charge of $71 million on surplus aircraft, partially offset by higher tax credits (+$29 million).

AWARDS

Q1

CONDÉ NAST TRAVELER CHINA THE GOLD LIST (CEREMONY IN AUG)
Best Airline Customer Journey

APR 2020

Q2

TRIPADVISOR TRAVELLERS' CHOICE 2020 AWARDS (US)
Top Airline in Asia

JUL 2020

TRAVEL + LEISURE MAGAZINE (USA)
World's Best International Airline (25th consecutive year)

JUL 2020

Q3

BUSINESS TRAVELLER (UK-BASED) 2020
Best Asian Airline
Best First Class
Best Economy Class
Best Cabin Staff

OCT 2020

CONDÉ NAST TRAVELER (USA) 2020 READERS' CHOICE AWARDS
Best Airline in the World
(31 out of 33 years)

OCT 2020

BUSINESS TRAVELLER (ASIA-PACIFIC) 2020
Best Airline (29th consecutive year)
Best Asia-Pacific Airline
Best Airline First Class
Best Airline Premium Economy Class
Best Airline Economy Class

OCT 2020

TRAVEL + LEISURE INDIA
Best International Airline

NOV 2020

TIME OUT SHANGHAI "THE LOVE SHANGHAI 2020 AWARD"
The Most Welcomed Airline

DEC 2020

Q4

APEX HEALTH SAFETY POWERED BY SIMPLIFLYING GLOBAL AIRLINE HEALTH AND SAFETY AUDIT
Diamond Rating

JAN 2021

FORTUNE MAGAZINE (USA)
Top 50 World's Most Admired Companies (Ranked 34)
Ranked 2nd in the Airline category

FEB 2021

FOOD & TRAVEL MAGAZINE (UK)
Airline of the Year

MAR 2021

STATEMENT ON RISK MANAGEMENT

1. SIA GROUP ENTERPRISE RISK MANAGEMENT FRAMEWORK

Since 2002, a formalised Risk Management Framework, which encompasses a governance and reporting structure, risk assessment process, as well as a set of risk management principles, policies and guidelines, has been implemented across the Singapore Airlines (SIA) Group. This framework is complemented with activities that run throughout the year, involving all levels of staff to ensure a sound system is in place to manage risks on a coordinated and integrated basis, where controls are implemented, and regularly reviewed and tested to validate their effectiveness and relevance in the prevailing operating environment. Details of the key elements of this Framework can be found on SIA's Website[1].

2. RISK APPETITE

The Board has approved Risk Appetite Statements for the SIA Group under the following key areas:

(i) Strategic

The Group pursues diversified network growth between its Singapore hub and key markets for both the full-service and low-cost passenger segments, as well as for the air cargo business, to avoid over-reliance on any single market. The Group strives to maintain a balanced portfolio of aircraft and engine types to mitigate technology risks, while meeting network needs.

To complement growth in the Singapore hub, the Group pursues opportunities that are deemed value-accretive, which include investments in airlines outside of Singapore and in new businesses, and adopts a prudent approach in managing the associated risks.

The Group is committed to offering the best experience for our customers, optimising operations, broadening revenue sources and creating a digital-savvy workforce through training and skillset development.

(ii) Safety

Safety is our top priority and the core of the Group's operations and success. The Group treats all safety breaches and lapses seriously. All incidents are investigated. We constantly work to inculcate a strong safety mindset and culture among all staff, which includes ensuring an environment that encourages active reporting of safety matters, and continuous learning and improvement. External and internal audits are conducted regularly, providing independent oversight.

(iii) Operational

The Group is committed to ensuring resilience on all operational fronts, as we strive to consistently deliver a quality experience to our customers, while enhancing operational efficiency through innovation and regular process reviews, with safety and security being the top priority at all times.

(iv) Information Technology

We recognise the strategic importance of technology in maintaining the Group's leadership position in the industry. The Group is committed to ensuring availability, reliability and security of our systems, as well as the integrity and protection of our data, and compliance with applicable regulations.

(v) Financial

The Group's airline operations carry certain financial risks, including the effects of changes in jet fuel prices, foreign currency exchange rates, interest rates and the market value of our financial investments, as well as credit risks. 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. In terms of liquidity risk, the Group's approach is to ensure access to diverse sources of funding and instruments at all times.

(vi) Sustainability

The Group is committed to provide air transportation services of the highest quality by ensuring that key environmental, social and governance (ESG) risks are regularly reviewed, considered and addressed throughout our business operations and strategic choices. Multiple programmes are already in place to drive and implement sustainable practices across the company, including fleet renewal with the latest technology aircraft with improved fuel efficiency. We will deepen our efforts to continue to run SIA responsibly, taking into consideration aspirations for the Sustainable Development Goals, including building a diverse and inclusive workforce, and giving back to people and the communities we operate in, such as crews' contributions throughout the Covid-19 pandemic, and leading SIA through recovery from one of the most challenging periods in SIA's history.

(vii) Regulatory

The Group is committed to complying with applicable laws and regulatory requirements and conducting business with integrity, transparency and honesty.

[1] *https://www.singaporeair.com/saar5/pdf/corporate-info/riskmanagementframework.pdf*

3. HIGHLIGHTS OF KEY RISK MANAGEMENT ACTIVITIES

The following were the key risk management activities carried out for the financial year under review:

(a) Review of the Risk Landscape and Ongoing Risk Reviews

Business units are required by policy to apply risk management principles and processes, which include reviewing risks and risk controls in their respective areas of operations on an ongoing basis. In addition, the annual Group-wide Risk Management Review Exercise was carried out and included a review of the Group's strategic risks. The Board Safety and Risk Committee ("BSRC") reviewed the top risks and corresponding controls, and ensured that relevant risks were distributed to the SIA Board and other Board Committees for oversight. The SIA Group Risk and Compliance Management Committee ("GRCMC") supported the BSRC in ensuring that risks were effectively surfaced and reviewed, and risk responses across the Group were coordinated and integrated. Correspondingly, company Risk Management Committees ensured that risks were surfaced by their various business divisions, for the GRCMC's and BSRC's review. As part of ongoing risk reviews, presentations by risk owners of selected key risks were also scheduled throughout the year for more in-depth review by the various Risk Committees at Company, Group and Board levels.

The risk landscape presented to the SIA Group in Financial Year 2020/21 was largely shaped by the global outbreak of Covid-19 in the final quarter of the preceding financial year. As we navigate through the unprecedented impact that the pandemic brought upon commercial aviation, where the pace of recovery remains uncertain, it is critical that we continue to review and adjust existing processes and business strategies, including maintaining nimbleness in capacity deployment and adopting measures to ensure the health and safety of customers and staff, to remain competitive and operationally resilient.

Aside from measures that were taken promptly at the onset of the pandemic, including the activation of SIA Group's pandemic response plan and business continuity plans, and active steps to manage liquidity and ensure business operations remain sustainable, the Group has gradually resumed flights in a calibrated manner, while reviewing associated risks and ensuring appropriate controls are in place to manage them, and is preparing to seize opportunities when international borders begin to open.

The Group is grateful to have received strong support from its shareholders, investors, lenders, and the Singapore government, to raise capital, provide liquidity and to manage costs. The Group is committed to optimise cash flows to restore financial sustainability, and it will continue to work closely with key stakeholders within the aviation ecosystem to emerge stronger.

(b) Review of and Simulation Tests on Crisis Management and Business Continuity Plans

Ongoing reviews of and simulation test exercises on business continuity plans and other integrated response plans were conducted throughout the year. The tests exercises were independently verified to ensure the efficacy of the Group's resilience towards business disruptions from unplanned events. Internally, taskforces for specific scenarios are in place and convene annually to assess the Group's preparedness in managing potential large-scale disruptions. In light of the ongoing global pandemic, efforts were also dedicated to ensuring existing plans are updated and test scenarios reflect the prevailing risk landscape. Separately, external full-scale multi-agency airport emergency exercises provided participants with realistic scenarios to validate the response plans and capabilities in crisis management and an opportunity to improve synergy, including the management of communications.

(c) Review of Cybersecurity Risks

Regular reviews on cybersecurity risk exposures and close monitoring of trends were carried out to ensure the Group's nimbleness in adapting and strengthening controls to address the evolving IT security threats and organised cybercrimes. With increased work-from-home activities, as a result of work arrangements to curb the spread of Covid-19, measures to address associated risks have also been implemented. To assess the Group's response readiness to a cyber-attack and the recovery capabilities for critical IT systems, regular cyber incident and disaster recovery drills were conducted. In addition, continuous monitoring tools are adopted by SIA Information Security to assess potential vulnerabilities and identify areas to further strengthen the Group's cybersecurity infrastructure.

(d) Review of Enterprise Risk Management Framework and Programme

The SIA Group Enterprise Risk Management Framework is continually reviewed to ensure the Group's risk governance and risk management practices remain relevant and effective, while these meet regulatory compliance requirements at the same time. Aside from ensuring process efficiency and effectiveness, a key area of focus in enhancing risk management for the Group is inculcating a risk-aware culture, where risks are reviewed proactively and on an ongoing basis, with robust processes in place to ensure they are managed effectively and through collaborative efforts. To achieve this, a comprehensive plan is in place to reach out to all employees through targeted communications and engagements activities. An interactive web-based training accessible to all employees is also in place, as continual training is another key element to equip our employees with the relevant knowledge and the right mindset to manage risks.

(e) Assurances on Risk Management Processes

For the financial year under review, assurances were provided by the CEO and the Executive Vice President Finance & Strategy, based on written assurances by Business Unit Heads, that the Group's risk management system and internal controls are adequate and effective in addressing risks, which the Group considers relevant and material to its operations.

CORPORATE GOVERNANCE REPORT

The Board and Management are committed to continually enhancing shareholder value by maintaining high standards of corporate governance, professionalism, integrity and commitment at all levels, underpinned by strong internal controls and risk management systems.

This Report sets out the Company's corporate governance processes, with specific reference to the principles and provisions of the revised Code of Corporate Governance issued by the Ministry of Finance in Singapore in August 2018 (the "Code"). The Code is applicable to this Report for the financial year ended 31 March 2021.

BOARD MATTERS
THE BOARD'S CONDUCT OF AFFAIRS (PRINCIPLE 1)

Board's Role

The Board oversees the business performance and affairs of the Company and provides general guidance to Management. Its principal functions include charting the Group's strategic direction, guiding Management on digitalization, technology and innovation, reviewing and approving annual budgets, financial plans and monitoring the Group's performance, approving major acquisitions and fund-raising exercises, and ensuring the Group's compliance with all laws and regulations as may be relevant to the business.

In addition to the above matters, material items which require Board approval include the first quarter and third quarter business updates, as well as the half-year and full-year financial results; proposed dividends (if any); the general remuneration framework for Relevant Key Management Personnel[1]; risk appetite statements in relation to various key areas concerning the Company and the Group; etc.

Delegation by the Board

To provide more focus on enhancing the Company's customer experience, a sixth board committee was formed in January 2019, known as the Customer Experience and Technology Committee. Subsequently in February 2020, this committee was renamed as the Customer Experience, Technology and Sustainability Committee. This reflects the committee's expanded role in overseeing sustainability matters, as delegated by the Board.

The Customer Experience, Technology and Sustainability Committee complements the existing five Board committees, namely the Board Executive Committee, Board Audit Committee, Board Nominating Committee, Board Safety and Risk Committee, and Board Compensation and Industrial Relations Committee. All six Board committees have been constituted with written terms of reference. The Board committees continue to play an important role in ensuring good corporate governance in the Company as well as the Group. All six Board committees assist the Board in the discharge of its oversight function and are actively engaged, with the Chairmen of each committee reporting significant matters discussed or approved by the committee regularly to the Board.

Board Meetings

During the financial year, the Board held four scheduled meetings. It will hold ad hoc meetings as and when warranted by particular circumstances. The Board also holds separate Strategy Sessions to further guide Management in developing its plans and strategies for the future. Two of such Strategy Sessions were held in the financial year, out of which one was held off-site.

Schedules of Board Meetings and Strategy Sessions are circulated to the Directors prior to the start of the financial year to allow Directors to plan ahead for their attendance at these events. Board and board committee meeting attendance via telephone and video conferencing are allowed under the Company's Constitution.

A record of the Directors' attendance at Board and Board committee meetings during the financial year is set out on page 90. Directors who are unable to attend a Board meeting or Board committee meeting are provided with the agenda and papers in advance, and can discuss issues relating to the matters to be raised at the meeting with other Board members and/or Management.

Access to Information

Board Directors are provided with papers in advance of each Board Meeting and Strategy Session, to enable them to be properly informed of matters to be discussed and/or approved. Board and board committees papers are provided electronically and can be accessed via tablet devices. Board papers contain both regular items such as reports on the Company and its subsidiaries and associated companies, updates on business development, monthly management accounts, and productivity and performance indicators, as well as matters for the decision or information of the Board.

[1] *Relevant Key Management Personnel are employees holding the rank of Executive Vice President and above. For FY2020/21, they comprised the CEO and three Executive Vice Presidents.*

Board Directors have separate and independent access to Senior Management[2] and the Company Secretary at all times. The Company Secretary attends the Board meetings and prepares minutes of the Board proceedings. He assists with the proper functioning of the Board, including compliance with the Company's Constitution, the Companies Act, the Securities and Futures Act and the SGX-ST Listing Manual. He ensures that all material information is provided to the Board in a timely manner. The Company Secretary is legally trained and experienced in company secretarial practices. The appointment and removal of the Company Secretary is subject to the Board's approval.

Directors can seek independent professional advice if required. The cost of such advice will be borne by the Company.

Newly Appointed Directors

Management briefs newly appointed Board Directors on the Company's business and strategic directions, as well as governance practices. The Company conducts orientation programmes for such new Board Directors, including site visits to the Company's main centres of operations such as the aircraft hangars and training facilities for cabin crew and pilots. New Board Directors are also updated on new laws and regulations, as well as changing commercial risks and industry developments, as deemed appropriate. Formal letters are issued to new Board Directors upon their appointment, including details of their duties and obligations as Directors. The Board Directors, including newly appointed Directors, are subject to the requirements of the Code.

BOARD COMPOSITION AND GUIDANCE (PRINCIPLE 2)

Board Size and Composition

The Board currently comprises ten Directors as follows:

Name of Director	Position held on the Board	Date of first appointment to the Board	Date of last re-election as Director	Nature of Appointment
Peter Seah Lim Huat	Chairman	1 September 2015	29 July 2019	Non-executive/Independent
Goh Choon Phong	Director	1 October 2010	27 July 2020	Executive/Non-Independent
Gautam Banerjee	Director	1 January 2013	27 July 2018	Non-executive/Independent
Hsieh Tsun-yan	Director	1 September 2012	27 July 2020	Non-executive/Independent
Lee Kim Shin	Director	1 September 2016	29 July 2019	Non-executive/Independent
Dominic Ho Chiu Fai	Director	1 May 2017	29 July 2019	Non-executive/Independent
Simon Cheong Sae Peng	Director	1 June 2017	27 July 2020	Non-executive/Independent
David John Gledhill	Director	1 September 2018	29 July 2019	Non-executive/Independent
Goh Swee Chen	Director	1 January 2019	29 July 2019	Non-executive/Independent
Jeanette Wong Kai Yuan	Director	1 June 2021	-	Non-executive/Independent

The size and composition of the Board are reviewed by the Nominating Committee from time to time, taking into account the scope of the business and nature of operations of the Company. In its review, the Nominating Committee seeks to ensure that the size of the Board is adequate to provide for a diversity of views and to facilitate effective decision-making, and that the Board has an appropriate balance of executive, independent and non-independent Directors.

[2] *Senior Management are employees holding the rank of Senior Vice President and above. For FY2020/21, they comprised the CEO, three Executive Vice Presidents and 12 Senior Vice Presidents.*

CORPORATE GOVERNANCE REPORT

Board Diversity Policy

The Board is committed towards building diversity amongst its members, taking initiatives to select and appoint suitably qualified persons as Directors regardless of gender, age, ethnicity, religion or other dimensions of diversity. The Directors come from diverse backgrounds with varied expertise in finance, legal, technology, business, marketing and management fields. Their profiles are found on pages 19 to 21 and 91 to 95. The main objective of the Board's stance on diversity is to continue to maintain the appropriate balance of perspectives, experience and expertise on the Board to support the long term success of Singapore Airlines.

To ensure that the profiles of the Board Directors continue to provide the necessary range of perspectives, experience and expertise for the Company, the Nominating Committee considers diversity criteria, amongst other relevant criteria as part of its director candidate selection and nomination. Specifically in support of gender diversity, the Nominating Committee ensures that appropriate efforts are made to include suitably qualified women in the list of director candidates, when reviewing the optimum composition and balance of the Board. Further, the Board has appointed a female Director to the Nominating Committee as part of its diversity initiatives. The Board will continue to build on the element of diversity, recognizing the importance of having an effective and diverse Board.

Board Independence

The Board, taking into account the views of the Nominating Committee, assesses the independence of each Director annually in accordance with the principles of the Code. There is a strong independent element in the Board, with the Board considering nine out of ten Directors to be independent from Management and the Company's substantial shareholders, namely Temasek Holdings (Private) Limited and its wholly-owned subsidiaries, Napier Investments Pte. Ltd. and Tembusu Capital Pte. Ltd. (together, "Temasek"). The sole non-independent Director is Mr Goh Choon Phong, who is the Chief Executive Officer ("CEO") of the Company.

Currently, no Director has served on the Board beyond nine years from the date of his first appointment. Two of the Directors, namely, Mr Hsieh Tsun-yan and Mr Gautam Banerjee, will, however, have each served for more than nine years as at 1 September 2021 and 1 January 2022 respectively, and will therefore be regarded as non-independent Directors with effect from 1 January 2022 by the automatic operation of the "9-year rule" under Rule 210(5)(d)(iii) of the SGX-ST Listing Manual (which takes effect from 1 January 2022). The Board believes that the continued appointment of Mr Hsieh and Mr Banerjee (who have both, over time, gained valuable insights into the Company and accumulated vast institutional knowledge) as non-independent Directors is especially critical for continuity in the current COVID-19 situation as the Company continues to navigate its way through the pandemic.

The independent Directors set aside time, at least once a year, to meet without the presence of Management to review the latter's performance in meeting goals and objectives, or to discuss any other relevant matters. Feedback is also provided by each Director in a formal Board Evaluation Questionnaire conducted annually. The feedback is compiled in a report to the Nominating Committee and the Board for review. All Directors have demonstrated objectivity in their deliberations in the best interests of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (PRINCIPLE 3)

The Chairman, Mr Peter Seah, and the CEO, Mr Goh Choon Phong, are not related to each other. There is an appropriate division of responsibilities between the Chairman and the CEO, which ensures a balance of power and authority within the Company.

The Chairman leads the Board and is responsible for its workings and proceedings. He plays a crucial role in fostering constructive dialogue between shareholders, the Board and Management at the Company's Annual General Meetings. The Chairman leads the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Management and Company Secretary.

The CEO, assisted by the Management Committee, makes strategic proposals to the Board and oversees the execution of the Board's decisions. He also oversees the execution of the Company's corporate and business strategies and policies, and the conduct of its business.

BOARD MEMBERSHIP (PRINCIPLE 4)
BOARD PERFORMANCE (PRINCIPLE 5)

Board Committees

The six Board committees formed to assist the Board in the execution of its responsibilities are:

- the Board Executive Committee;
- the Board Audit Committee;
- the Board Compensation and Industrial Relations Committee;
- the Board Nominating Committee;
- the Board Safety and Risk Committee; and
- the Customer Experience, Technology and Sustainability Committee.

Each Board committee has its own written terms of reference (the "Charter"). The Charter clearly sets out the relevant Board committee's authorities, duties and operating procedures. The Charters are reviewed periodically. These Charters and the committees' work thereunder are described briefly below.

(A) Board Executive Committee ("ExCo")

The members of the ExCo are Mr Peter Seah (Chairman), Mr Goh Choon Phong, Mr Gautam Banerjee and Mr Hsieh Tsun-yan. Under its Charter, the ExCo oversees the execution by Management of the overall strategy, policies, directions and guidelines set by the Board for the SIA Group. The ExCo also reviews and makes recommendations to the Board on proposed transactions above a certain materiality threshold and matters relating to the Group's wholly-owned subsidiaries. The ExCo is authorised to approve transactions up to a designated materiality threshold and to make decisions on routine financial, operational and administrative matters. The ExCo also functions as the Share Buy Back Committee of the Company.

(B) Board Audit Committee ("AC")

The AC comprises Mr Gautam Banerjee (Chairman), Mr Hsieh Tsun-yan, Mr Dominic Ho, Ms Goh Swee Chen and Ms Jeanette Wong (with effect from 1 June 2021). All the AC members are independent Directors. The role and responsibilities of the AC under its Charter are described in the section on "Audit Committee" (Principle 10) as shown on pages 85 to 87.

(C) Board Safety and Risk Committee ("BSRC")

The members of the BSRC are Mr Dominic Ho (Chairman), Mr Peter Seah, Mr Lee Kim Shin and Mr David Gledhill. Under its Charter, the functions of the BSRC include ensuring that systems and programmes in the Group comply with regulatory requirements and are in accordance with the best practices of the aviation industry; reviewing regular reports on safety performances; reviewing accident investigation findings and recommendations; and advising Management and reporting to the Board on safety issues.

The BSRC also oversees the risk governance framework and risk management system, including reviewing key risks and controls put in place by Management. This is further described in the section on "Risk Management and Internal Controls" (Principle 9) as shown on pages 84 to 85.

(D) Board Nominating Committee ("NC")

The members of the NC are Mr Peter Seah (Chairman), Mr Lee Kim Shin and Ms Goh Swee Chen.

(D1) Appointment and Re-election of Directors

Under its Charter, the NC's responsibilities and duties include considering and making recommendations to the Board concerning the appointment and re-election of Directors, and determining the independence of the Directors. The NC's recommendations are based on a review of the range of expertise, skills and attributes of current Board members and the needs of the Board, taking into account the Company's future business direction, the tenure of service, contribution and commitment of each Board member. Board rejuvenation is a guiding principle in determining the need for new appointees to the Board.

With regard to the selection of new Directors, the NC evaluates the balance of skills, knowledge and experience on the Board and, arising from such evaluation, determines the role and the desirable competencies for a particular appointment to enhance the existing Board composition, taking into account diversity criteria. At least one member of the NC meets with the short-listed Board candidates in person or via video/audio-only call to assess their suitability and availability. The NC then makes recommendations to the Board for approval.

CORPORATE GOVERNANCE REPORT

Newly appointed Directors serve an initial term of three years, after which they may be considered for nomination for re-election for another term(s). Their nominations are subject to the recommendations of the NC.

The Company's Constitution provide that at each Annual General Meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third are required to retire from office and are eligible for re-election. Retiring Directors are selected on the basis of those who have been longest in office since their last re-election, failing which they shall be selected by agreement. The CEO is also subject to retirement and re-election in accordance with the Constitution of the Company.

New Directors appointed in the year are subject to retirement and re-election by shareholders at the next Annual General Meeting after their appointment. All new appointments and re-elections require the approval of the Special Member, the Minister for Finance.

(D2) Evaluation of Board Performance

For FY2020/21, the NC had commissioned a formal evaluation of the Board and its board committees. The process involved sending questionnaires for feedback from the Directors. The evaluation confirmed that the Board and its board committees were generally functioning effectively and performing well, within a highly competitive and challenging environment. The performance of individual Directors was reviewed by the Chairman and the NC, while the Chairman’s performance was reviewed by the rest of the Board.

(D3) Directors’ Commitment

The NC has reviewed the contribution by the Directors individually, taking into account their listed company board representations and other principal commitments. The NC and the Board are of the view that setting a maximum number of listed company board representations a Director should have, is not meaningful, as the contribution of each Director would depend on the Director’s individual circumstances, including whether he or she has a full time vocation or other responsibilities. Notwithstanding the number of listed company board representations and other principal commitments which the Directors held, the NC was of the view that they were able to devote sufficient time and attention to the affairs of the Company.

(D4) Directors’ Training

The NC’s Charter also includes the responsibility for reviewing the training and professional development programmes for the Board. Board meetings may include presentations by senior executives, external experts and industry leaders on strategic issues relating to specific business areas. For FY2020/21, Board members attended briefings on the Singapore Aviation Ecosystem, challenges facing the airline industry and its recovery trajectory in the light of the COVID-19 pandemic, the Group’s transformation strategy (including digitalization efforts, business development opportunities, etc) as well as other related topics. Guest speakers included the then Director General and CEO of IATA, Mr Alexandre de Juniac.

A Director without prior experience as a director of an issuer listed on SGX-ST is also required to attend training programmes conducted by the Singapore Institute of Directors on the roles and responsibilities of directors, as prescribed by SGX-ST.

(E) Board Compensation and Industrial Relations Committee (“BCIRC”)

The BCIRC is chaired by Mr Peter Seah, and comprises Mr Hsieh Tsun-yan and Mr Simon Cheong. All members of the BCIRC are non-executive Directors.

In accordance with its responsibilities and duties under its Charter, the BCIRC reviews and recommends for the Board’s approval the general framework of remuneration for the Board and Relevant Key Management Personnel. The BCIRC also recommends the specific remuneration packages for each Director and Relevant Key Management Personnel and administers the Company's Profit Sharing Bonus (“PSB”), EVA-based Incentive Plan (“EBIP”), Performance Share Plan (“PSP”), Restricted Share Plan (“RSP”) and Strategic Share Award (“SSA”) for Senior Management. The award of shares to Senior Management is based on organisational and individual performance. The BCIRC retains and may exercise discretion when determining the link amongst remuneration, performance and value creation. Professional advice is sought by the BCIRC, as it deems necessary, in the development and execution of the remuneration plan for the Company's Senior Management. For FY2020/21, Carrots Consulting Pte Ltd was engaged as a remuneration consultant to provide professional advice on human resource matters. The principal consultant providing such services was Mr Johan Grundlingh. Carrots Consulting only provides remuneration consulting services to the Company, and has no other relationship with the Company.

Leadership development and succession planning in the Company remains a key focus for the BCIRC. The Company has in place an annual review of high potential executives, to ensure an adequate pipeline for succession planning in key management positions. Such high potential executives will be given exposure to key jobs in the organisation, as part of their career development.

The Company continues to put much emphasis in maintaining harmonious industrial relations and the BCIRC plays an important role in providing appropriate guidance to Management in this regard. The Company's three unions, namely AESU representing the Executives, ALPA-S representing the Pilots, and SIASU representing the Associates and Cabin Crew, hold regular meetings with Management and Chairman of BCIRC.

(F) Customer Experience, Technology and Sustainability Committee ("CETSC")
The members of the CETSC are Mr Simon Cheong (Chairman), Mr David Gledhill, Ms Goh Swee Chen and Mr Goh Choon Phong. With the exception of Mr Goh, all the members of the CETSC are non-executive Directors.

Under its Charter, the CETSC provides advice and guidance to enhance the customer experience of the Company and the Group by focusing on the development of products, policies, processes and people skills. Digitalization, technology and innovation may also be explored to drive the customer experience enhancement. Further, under its Charter, the CETSC exercises oversight as well as provides advice and guidance on the overall strategic roadmap for sustainability factors and other sustainability matters of the Company and the Group.

REMUNERATION MATTERS
PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (PRINCIPLE 6)
LEVEL AND MIX OF REMUNERATION (PRINCIPLE 7)

Remuneration Philosophy and Principles
SIA's Remuneration Policies for Senior Management are based on the following principles:

Philosophy	Principles
Shareholder & Business Alignment	• Build sustainable value creation and unlock wealth creation to align with shareholder interests • Enhance retention of Senior Management • Provide sound and structured funding to ensure affordability and cost-effectiveness of compensation system in line with value-added and wealth-added goals
Motivate Right Behaviours	• Pay for performance – align, differentiate and balance rewards according to multiple dimensions of performance • Strengthen line-of-sight linking rewards and performance goals • Robust target setting taking into account shareholder expectations over foreseeable performance horizon and commensurate with reward levels • Motivating for right level of risk taking and executive behaviour in age of disruptive technology and business transformation
Fair & Appropriate	• Ensure remuneration is competitive relative to the appropriate talent markets • Manage internal equity so that remuneration system is perceived as fair across the Group • Defensible to both internal and external stakeholders • Provide for BCIRC and Board discretion to reward reasonably (both up and down) in the event of unintended outcomes
Effective Implementation	• Maintain rigorous corporate governance standards • Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations • Facilitate employee understanding to maximise the value of the remuneration programs
Support Sustainability Agenda	• Align performance-related remuneration with the interests of shareholders and other stakeholders • Promote the long-term success of the Company • Disclose relationships amongst remuneration, performance and value creation for shareholders and other stakeholders

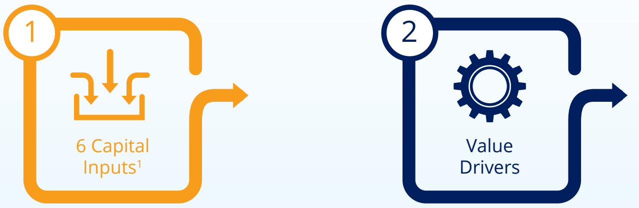
In the event of any misstatement of financial results or of misconduct resulting in financial loss to the Company as deemed by the BCIRC, the BCIRC may, in its absolute discretion, reclaim unvested incentive components of remuneration from Senior Management.

CORPORATE GOVERNANCE REPORT

Relationship amongst Remuneration, Performance and Value Creation for Shareholders and Other Stakeholders

The relationship amongst remuneration, performance and value creation at SIA is shown below:

VALUE CREATION PROCESS AT SIA



1	2	3
Using all forms of capital in the company to produce value	Identifying key value drivers, performance measures and targets	Defining value creation outcomes, performance measures and targets

Inputs → Key Value Drivers (KPIs) → Value Creation (Outcomes)

Inputs
- Financial Capital
- Human Capital
- Social & Relationship Capital
- Intellectual Capital
- Natural Capital
- Manufactured Capital

Key Value Drivers (KPIs)

Financials
SIA Group's Return on Shareholders' Funds, Operating Expenditure, Aircraft and Non-Aircraft Related CAPEX, Liquidity, Cargo Revenue

Non-Financials
Network deployment, Operational readiness, Net Promoter Score (NPS), PPS/KF Engagement, High Severity Incidents

Value Creation (Outcomes)

FOR SHAREHOLDERS

Achieving **Economic Value Added (EVA)**[*] by generating operating profit which meets the Cost of Invested Capital over the long term and successful transformation. Suspended and replaced with Group NOPAT for COVID recovery priod until end FY2022/23

Shareholders' wealth creation (based on absolute and relative Total Shareholder Return[2] (TSR))

FOR OTHER STAKEHOLDERS

Sustainable value creation for other stakeholders (employees, customers, suppliers, communities)

ALIGNMENT WITH SIA SENIOR MANAGEMENT COMPENSATION

Supported by SIA Senior Management Total Compensation Philosophy

- Stakeholders & Business Alignment
- Motivate Right Behaviours
- Fair, Appropriate & Market Competitive
- Effective Implementation
- Supports Sustainability Agenda
- Reflect SIA's business strategies and core values

Senior Management Incentive Pay Programmes • PSB • EBIP • RSP • PSP • SSA

By selecting performance targets based on a balance of drivers and outcomes, the Board ensures that SIA Senior Management are paid not only for value already created (i.e. outcomes) but for performance in generating/creating future value (i.e. drivers).

[1] *As per the International Integrated Reporting <IR> Framework*

[2] *Includes share price change and dividend yields*

[*] *To be suspended until firm COVID recovery occurs*

Remuneration Mix

SIA's remuneration mix for Senior Management comprises salary, variable components and benefits. Variable components comprise short term and long term incentives, which are dependent on Group, Company and individual performance. The remuneration mix aims to provide a good balance between competitiveness with the market, as well as rewards for short term and long term objectives.

Fixed Component for Senior Management ("Salary")

The fixed component comprises Base Salary and the Annual Wage Supplement ("AWS"). The fixed components are benchmarked to comparable positions in the market, and reflect the market worth of the positions.

In line with the Company's measures to mitigate the impact of COVID-19 on the international aviation industry, Base Salary cuts were implemented for Senior Management. Base Salary cuts of 30% for CEO, 25% for Executive Vice Presidents ("EVPs") and 20% for Senior Vice Presidents ("SVPs") were implemented from 1 April 2020, and subsequently adjusted to 35% for CEO, 30% for EVPs, and 25% for SVPs from 1 August 2020.

Variable Components for Senior Management

(A) Cash Incentive Plans ("Bonuses")

This comprises the following components:

(A1) Profit-Sharing Bonus ("PSB")

The PSB targets are designed to achieve a good balance of both Group financial objectives and the Company's operating performance. Payment of the variable bonus is based on the Group and the Company achieving the target levels set for each of the Key Performance Indicators ("KPIs") stated below and taking into account individual performance:

- SIA Group's Return on Shareholders' Funds
- SIA Company's Operating Profit Margin
- SIA Company's Passenger Load Factor

Individual performance objectives aligned to the overall strategic, financial and operational goals of the Company are set at the beginning of each financial year and are cascaded down to a select group of key Senior Management staff using Individual Performance Scorecards, creating alignment between the performance of the Group, Company and the individual. While these performance objectives and weightages are different for each executive, they are assessed on the same principles across the following four broad categories of targets:

- Financial & Business
- Customer & Operations
- People & Organisational Development
- Transformation & Strategic Projects

For FY2020/21 and onwards, the Individual Performance Scorecard categories include COVID recovery cost management and operational initiatives with Transformation & Strategic Projects weighing 50% and the remaining categories weighing 50% subject to BCIRC discretion at the end of the financial year.

The PSB Payout is capped at three times of monthly base salary based on SIA Group and Company Performance in respect of the CEO and Senior Management. After the assessment of the Individual Performance Scorecards at the end of a performance year, an Individual Performance Rating is determined and is subsequently used to modify the PSB Payout within the range of 0-150%.

For FY2020/21 there is NIL PSB payout due to COVID impact.

(A2) Economic Value Added ("EVA")-based Incentive Plan ("EBIP")

The EBIP rewards for sustainable shareholder value creation over the medium term achieved by growing profits, deploying capital efficiently and managing the risk profile and risk time horizon of an airline business. A portion of the annual performance-related bonus of key Senior Management is tied to the EVA achieved by the Group. Under the plan, one-third of the accumulated EBIP, comprising the EBIP declared in respect of the financial year and the balance of such bonus brought forward from preceding years (which comprises multiple years of incentive dollars retained in the EBIP Bank Balance), is paid out in cash each year. The remaining two-thirds are carried forward in the individual executive's EBIP Bank Balance. Amounts in the EBIP Bank Balance are at risk because any negative EBIP declared will result in an offset against the current EBIP Bank Balance. This mechanism encourages key Senior Management to work for sustainable EVA and to adopt strategies that are aligned with the long term interests of the Group.

CORPORATE GOVERNANCE REPORT

In determining the final EBIP payouts, the BCIRC considers overall Group performance and relevant market remuneration benchmarks.

The rules of the EBIP are subject to review by the BCIRC, which has the discretion, under the authority of the Board, to amend the rules where appropriate and relevant to the business conditions.

The BCIRC has recommended and the Board approved the suspension of new EBIP funding for FY2020/21 - FY2022/23 due to COVID impact on the airline industry.

(B) Share Incentive Plans

This comprises the following three components:

(B1) The SIA Performance Share Plan 2014 ("PSP 2014")

The PSP 2014 is a share-based incentive scheme established with the objective of rewarding, motivating, and retaining a select group of key Senior Management staff who shoulder the responsibility for the Group's performance and who are able to drive the growth of the Group through innovation, creativity and superior performance. Awards under the PSP 2014 are performance-based, with stretched targets.

Under the PSP 2014, an initial award is made in the form of rights to shares, provided performance targets are met. Annual awards are made based on individual performance of Senior Management staff. The final award, which can vary between 0-200% of the initial award, depends on stretched value-aligned performance targets. The targets are based on absolute and relative Total Shareholder Return ("TSR") targets to be met over the performance period of three financial years (with equal weightage). The absolute TSR is based on outperformance against Cost of Equity. The relative TSR is based on outperformance of a selected peer group of leading full service carriers, namely Air France-KLM, British Airways PLC, Cathay Pacific Airways Ltd., Deutsche Lufthansa AG, Qantas Airways Ltd. and Thai Airways International PCL. The above performance measures are selected as key measurements of wealth creation for shareholders.

The final award will cliff vest after completion of the performance period.

An initial award of FY2020/21 PSP was granted during the financial year under consideration in July 2020.

Due to the impact of COVID-19, the Group has attained an achievement factor which is reflective of partially meeting the pre-determined target performance level for the FY2018/19 PSP awards granted based on the performance period from FY2018/19 to FY2020/21 and shares will cliff vest accordingly.

(B2) The SIA Restricted Share Plan 2014 ("RSP 2014")

The RSP 2014 is targeted at a broader base of selected employees and enhances the Company's ability to recruit and retain talented employees, as well as to reward for Group, Company and individual performance. To retain these employees, an extended vesting period of a further two years is imposed beyond the initial one-year performance period.

Under the RSP 2014, an initial award is made in the form of rights to shares, provided performance conditions are met in future. Annual grants are made based on position level and individual performance of the key executives selected to participate in the RSP 2014. Final awards may vary between 0-150% of the initial award based on the newly designed Company Operational Performance Scorecard ("COPS") for FY2020/21. The performance measures are selected as they are aligned with annual COVID recovery initiatives focused on cost management and operational metrics. The final award is subject to extended vesting, with one-third of the final award vesting at the end of the one-year performance period, and the balance to be vested equally over the next two years.

An initial award of FY2020/21 RSP was granted during the financial year under consideration in July 2020.

Due to the impact of COVID-19, the Group has attained an achievement factor which is reflective of partially meeting the pre-determined target performance level for the FY2020/21 RSP awards granted based on the performance period of FY2020/21 only and shares will commence vesting accordingly. Previous final awards of RSP continued to vest during the financial year.

(B3) Strategic Share Award ("SSA")
To motivate and reward for COVID response and recovery, the Strategic Share Award under the RSP 2014 has been implemented. It is established with the objective of rewarding, motivating and retaining a select group of key Senior Management staff throughout the COVID recovery period.

Under the 1st SSA, an initial award was granted in July 2020 in the form of rights to shares taking into account Senior Management's efforts with regards to COVID response and mitigation as assessed by the BCIRC.

The 2nd SSA supports the three financial year strategic plan for COVID recovery and will be granted in July 2021.

Under the SSA, 50% of the final award vests upon grant and the balance vests in equal tranches over the next two years. An additional 20% equity kicker is awarded upon final vesting for retention purposes.

Under the PSP 2014 and RSP 2014, the total number of shares which may be delivered (whether in the form of shares or cash in lieu of shares) is subject to a maximum limit of 5% of the total number of issued shares (excluding treasury shares). In addition, the total number of shares under awards to be granted under the PSP 2014 and RSP 2014 from the forthcoming Annual General Meeting to the next Annual General Meeting (the "Relevant Year") shall not exceed 0.5% of the total number of issued shares (excluding treasury shares) from time to time (the "Yearly Limit"). However, if the Yearly Limit is not fully utilized during the Relevant Year, any unutilized portion of the Yearly Limit can be used for grants of awards in subsequent years.

The SIA Employee Share Option Plan ("ESOP") expired in 2010. Details of the PSP 2014 and RSP 2014 can be found on pages 100 to 104 of the Directors' Statement.

Share Ownership Guideline for Senior Management

Senior Management are required to hold a portion of the shares released to them under a share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

Compensation Risk Assessment

Under the Practice Guidance, the compensation system should take into account the risk policies of the Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks. The BCIRC has reviewed the various compensation risks that may arise and introduced mitigating policies to better manage risk exposures identified. The BCIRC will also undertake periodic reviews of the compensation-related risks in future.

Pay-for-Performance Alignment

In performing the duties as required under its Charter, the BCIRC ensures that remuneration paid to the CEO and Relevant Key Management Personnel is strongly linked to the achievement of business and individual performance targets.

The performance targets as determined by the BCIRC are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short-term and long-term quantifiable objectives.

Due to COVID impact on SIA, the BCIRC has suspended a review of the Pay-for-Performance Alignment study until the airline industry stabilises.

CORPORATE GOVERNANCE REPORT

Non-Executive Directors' Fees

As approved by the shareholders at the Annual General Meeting in July 2020, Non-Executive Directors will receive approximately 70% of the total directors' fees in cash and approximately 30% of the total directors' fees in the form of restricted shares which are governed by the terms of RSP 2014.

As the restricted shares are granted in lieu of directors' remuneration in cash, the shares will be granted outright as fully paid shares with no performance conditions attached and no vesting periods imposed. To encourage the alignment of interests with the interests of shareholders, Non-Executive Directors would eventually be required to hold shares (including shares obtained by other means) worth a minimum of the annual basic retainer fees (currently $90,000) as the shares paid out to them as part of their remuneration in lieu of cash accumulate over time.

A Non-Executive Director who steps down before the date of payment of his share component will receive all Directors' fees (calculated on a pro-rated basis, where applicable) in cash. A Non-Executive Director who steps down from the Board may sell all SIA shares one year after leaving the Board.

The Non-Executive Directors took a voluntary 30% fee reduction for FY2020/21 given the COVID impact.

The Non-Executive Directors' total fees in respect of FY2020/21 amounted to $1,365,700 [FY2019/20: $2,150,923] and were based on the following rates before the application of the fee reduction:

		Rates($)
Board Retainers	Board Member	90,000
	Chairman's all-in-fee	750,000
Committee Retainers	Chairman of Executive Committee and Audit Committee	60,000
	Chairman of Safety and Risk Committee and Compensation and Industrial Relations Committee	45,000
	Member of Executive Committee and Audit Committee and Chairman of Nominating Committee and Customer Experience, Technology and Sustainability Committee	35,000
	Member of Safety and Risk Committee and Compensation and Industrial Relations Committee	25,000
	Member of Nominating Committee and Customer Experience, Technology and Sustainability Committee	20,000
Attendance Fees	Home – City	5,000
	In – Region	10,000
	Out – Region	20,000
	Teleconference – normal hours	1,000
	Teleconference – odd hours	2,000

Individual Non-Executive Director total fees will be computed based on the above, with a 30% fee reduction applying and will be settled in approximately 70% cash and 30% outright share awards.

DISCLOSURE ON REMUNERATION (PRINCIPLE 8)

Disclosure on Directors' Remuneration

The Company reports cash incentives for CEO and Key Management Personnel based on funding arising or allocated to individuals in respect of the reporting financial year under consideration (i.e. "Declared Basis").

The following table shows the composition of the remuneration of the Directors for FY2020/21.

	Fees							
Directors	**Cash Component $**	**Share Component $**	**Total Fees $**	**Salary $**	**Bonuses $**	**Shares $**	**Benefits[4] $**	**Total $**
Peter Seah Lim Huat	367,500	157,500	525,000	-	-	-	50, 410	575,410
Gautam Banerjee	98,980	42,420	141,400	-	-	-	-	141,400
Simon Cheong Sae Peng	85,750	36,750	122,500	-	-	-	-	122,500
Dominic Ho Chiu Fai	88,200	37,800	126,000	-	-	-	-	126,000
Hsieh Tsun-yan	88,690	38,010	126,700	-	-	-	-	126,700
Lee Kim Shin	74,480	31,920	106,400	-	-	-	-	106,400
David John Gledhill	71,050	30,450	101,500	-	-	-	-	101,500
Goh Swee Chen	81,340	34,860	116,200	-	-	-	-	116,200
Jeanette Wong Kai Yuan[6] (wef 1 June 2021)	-	-	-	-	-	-	-	-
Goh Choon Phong[5] Declared Basis	-	-	-	963,000[1]	0[2]	1,651,000[3]	160,962	2,774,962

1 *Refers to Base Salary with 30% cut (from 1 April 2020) and 35% cut (from 1 August 2020) as part of company-wide COVID-19 cost-cutting measures, and Annual Wage Supplement for FY2020/21.*

2 *The PSB is NIL and the EBIP funding is suspended.*

3 *Based on the Accounting Fair Values of RSP ($3.655), PSP ($3.195) and SSA ($3.705) granted on a contingent basis in FY2020/21.*

4 *Includes transport allowance, travel benefits and employer CPF contributions where relevant.*

5 *As Chief Executive Officer, Mr Goh Choon Phong does not receive any Director's fees.*

6 *Directors' fees were not paid to Ms Jeanette Wong Kai Yuan in FY2020/21 as she was appointed a Director on 1 June 2021.*

CORPORATE GOVERNANCE REPORT

Disclosure on Relevant Key Management Personnel's Remuneration

The following table shows the composition of the remuneration of the Relevant Key Management Personnel (who are not the CEO and hold the rank of Executive Vice President and above) for FY2020/21.

Relevant Key Management Personnel		Fee %	Salary[1] %	Bonuses[2] %	Shares[3] %	Benefits[4] %	Total %
Between $1,250,000 to $1,500,000							
Mak Swee Wah[5]	Declared Basis	0	39	0	54	7	100
Between $1,000,000 to $1,250,000							
Tan Kai Ping[5,6]	Declared Basis	0	41	0	49	10	100
Between $750,000 to $1,000,000							
Lee Lik Hsin[5,6]	Declared Basis	0	43	0	46	11	100

1 *Refers to Base Salary with 25% cut (from 1 April 2020) and 30% cut (from 1 August 2020) as part of company-wide COVID-19 cost-cutting measures, and Annual Wage Supplement for FY2020/21.*

2 *The PSB is NIL and the EBIP funding is suspended.*

3 *Based on the Accounting Fair Values of RSP ($3.655), PSP ($3.195) and SSA ($3.705) granted on a contingent basis in FY2020/21.*

4 *Includes transport allowance, travel benefits and employer CPF contributions where relevant.*

5 *The above table reflects the remuneration of the employees who hold the rank of Executive Vice President and above, who are the Relevant Key Management Personnel of the Company.*

6 *Opening EBIP bank balances are $550,832 for Mr Tan Kai Ping and $476,146 for Mr Lee Lik Hsin.*

For FY2020/21, the aggregate total remuneration paid to the Relevant Key Management Personnel (who are not the CEO) amounted to $3,354,006.

For FY2020/21, there were no termination, retirement or post-employment benefits granted to Directors, the CEO and Relevant Key Management Personnel other than the standard contractual notice period termination payment in lieu of service, and the industry standard post-retirement travel benefits for the CEO and Relevant Key Management Personnel.

There were no employees who were substantial shareholders of the Company, or were immediate family members of a Director, the CEO or a substantial shareholder of the Company and whose remuneration exceeded $100,000, during FY2020/21.

ACCOUNTABILITY AND AUDIT
RISK MANAGEMENT AND INTERNAL CONTROLS (PRINCIPLE 9)

The Board, through its announcements of first quarter and third quarter business updates, as well as half-year and full-year results, aims to provide shareholders with a balanced and understandable assessment of the Company's performance and prospects. Management provides the Board with monthly management accounts for the Board's review.

The Company has clear policies and guidelines for dealings in securities by Directors and employees. The Company imposes a trading embargo on its Directors and employees from trading in its securities for the period of two weeks before the announcement of first-quarter and third-quarter financial results/business updates; and a period of one month before the announcement of half-year and full-year financial results. In addition, Directors and employees are cautioned to observe the insider trading laws at all times; and to avoid dealing in the Company's securities for short-term considerations.

Risk Management and Internal Controls

The Board has overall responsibility for the governance of risk. To assist the Board in discharging its responsibility, the BSRC oversees the risk governance framework and risk management system, including reviewing key risks and controls put in place by Management. The AC also provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal control systems.

To support the BSRC, a dedicated Risk Management Department looks into and oversees the Group's risk management framework. In addition, the Legal, Compliance and Secretariat Department manages certain key regulatory compliance policies. The Statement on Risk Management can be found on pages 70 to 71.

Annually, a report is submitted by the Risk Management Department to the Board, which provides a comprehensive review of the risks faced by the Group. The review includes the identification of risks overseen by the main Board and its various Board committees, as well as the current assessment and outlook of the various risk factors. The Department also performs risk prioritisation and ensures risk mitigation plans are reviewed by Management.

The Board had received assurance from the CEO, Executive Vice President Finance & Strategy and Senior Vice President Finance that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

The Board had also received assurance from the Executive Vice President Finance & Strategy and CEO (who, in turn, received assurance from the members of the Group Management Committee) that the Group's risk management and internal control systems were adequate and effective to address financial, operational, information technology and compliance risks, which the Group considers relevant and material to its operations.

Having reviewed the risk management practices and activities of Singapore Airlines, the Board, with the concurrence of the BSRC, is of the opinion that the Group's risk management system was adequate and effective as at 31 March 2021.

AUDIT COMMITTEE (PRINCIPLE 10)

The AC's activities for FY2020/21, in accordance with its responsibilities and duties under its Charter, included the matters set out below. To discharge its responsibilities and duties, the AC has full access to, and the co-operation of, Management. The AC also has full discretion to invite any Director or executive officer to attend its meetings, and has been given adequate resources to discharge its functions. The AC meets with the internal and external auditors without the presence of non-audit Management every quarter.

(A) Financial Reporting

The AC reviewed the quarterly business updates, as well as the half-year and annual financial statements, and financial announcements required by SGX-ST for recommendation to the Board for approval. The review focused on changes in accounting policies and practices, major judgemental and risk areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards, compliance with SGX-ST and other legal requirements. The AC keeps itself apprised of changes in accounting policies and guidelines through scheduled regular updates by the external auditors, of such, in meeting agendas.

CORPORATE GOVERNANCE REPORT

(B) Financial Matters

In the review of the financial statements for FY2020/21, the following significant matters impacting the financial statements were reviewed by the AC and discussed with Management and the external auditors:

Significant Matters	How the AC reviewed these matters
Accounting for carrying values of aircraft and related assets	The AC reviewed and is satisfied with the reasonableness of Management's judgement and assumptions used in identifying surplus aircraft and determining their resultant fair values, and forming the accounting estimates underpinning the assessment of the recoverable amount of the full service and cargo operations ("FSC") and low cost airlines ("LCC") cash generating units ("CGUs"). The AC is satisfied with the resultant carrying values of the aircraft and related assets.
Accounting for fuel hedges	The AC reviewed and is satisfied with the reasonableness of Management's judgement and assumptions used in forming the forecasted future fuel consumption at 31 March 2021 and determined that the accounting for fuel hedges was appropriate.

(C) External Audit

The AC discussed with the external auditors the audit plan, and the report on the audit of the year-end financial statements; reviewed the external auditor's management letter and Management's responses thereto; and reviewed the external auditor's objectivity and independence from Management and the Company. In assessing independence, the AC reviewed the fees and expenses paid to the external auditors, including fees paid for non-audit services during the year. The AC is of the opinion that the auditor's independence has not been compromised.

The AC considered the information provided by the external auditors under the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority in evaluating the performance and effectiveness of the external auditors.

The AC has also received communication from the external auditors that they have nothing significant to report with reference to the other financial or non-financial information in the Annual Report as defined in the Singapore Standard of Auditing 720.

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

(D) Risk Management

The AC reviewed the adequacy and effectiveness of the Group's material internal controls (including financial, compliance, operational and information technology controls) and risk management framework, to safeguard the interests of the Group and its shareholders.

The Risk Management processes adopted are also audited periodically by the Internal Audit Division and their adequacy and effectiveness reported to the AC accordingly.

(E) Interested Person Transactions

The AC reviewed interested person transactions to ensure compliance with the SGX-ST Listing Manual and the Shareholders' Mandate obtained at the last Annual General Meeting.

(F) Whistle-Blowing

The AC reviewed and is satisfied with the adequacy of the whistle-blowing programme instituted by the Company through which concerns about possible improprieties in financial reporting or other matters may be safely raised, independently investigated and followed up in a timely and appropriate manner. Under the whistle-blower programme, all staff including Management are responsible for reporting any suspected wrongdoing. In addition, they are required to comply with the Staff Regulations, which set out the code of conduct and discipline expected of them. This includes upholding professional integrity, maintaining confidentiality, reporting any conflict of interest, and whistle-blowing. All whistle-blower reports are reviewed by the AC at its quarterly meetings to ensure independent assessment, investigation and adequate resolution.

(G) Internal Audit

The AC reviewed the scope of work of the Internal Audit Division and its audit programmes; reviewed the major findings during the year and Management's responses thereto; and is of the view that such internal audit function is independent, effective and adequately resourced.

The Internal Audit Division is an independent division that reports directly to the AC. The division assists the AC and the Board by performing regular evaluations on the Group's internal controls, financial and accounting matters, compliance, business and financial risk management policies and procedures, and ensuring that internal controls are adequate to meet the Group's requirements. SIA's Internal Audit Division is a member of the Singapore Chapter of the Institute of Internal Auditors ("IIA") and meets the Standards for the Professional Practice of Internal Auditing set by the IIA.

SIA's Internal Audit Division also performs analyses of data and transactions periodically on selected areas that are more susceptible to fraud risk. In relation to audit activities conducted during the financial year, SIA's Internal Audit Division had unfettered access to the Group's documents, records, properties and personnel, as well as the AC.

The Control Self-Assessment ("CSA") Programme established since FY2003/04 provides a framework for Management to obtain assurance on the state of internal controls. The CSA Programme requires operating departments' management to review and report annually on the adequacy of their respective units' control environment to the AC. The Internal Audit Division performed independent and random reviews during the year to validate the results of these self-assessments.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management and various Board Committees, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 March 2021 to address financial, operational, information technology and compliance risks, which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT
SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS (PRINCIPLE 11)
ENGAGEMENT WITH SHAREHOLDERS (PRINCIPLE 12)

Singapore Airlines is committed to continually strengthen its relationship with the investing community and believes in timely and consistent disclosure of pertinent and price-sensitive information to enable a transparent assessment of the Company's value. The Company values dialogue with shareholders, and holds analyst and media briefings when announcing half-year and full-year results. As a result of meeting restrictions imposed during the COVID-19 outbreak, analysts and media briefing conference calls were organised instead, after the release of the Company's half-year and full-year results for FY2020/21. The audio recordings of both conference calls were uploaded on the Company's website under the Investor Relations section (https://www.singaporeair.com/en_UK/us/about-us/investors-relations/). Transcripts of the Question and Answer segment were also posted on SGXNet and uploaded on the Analyst Briefing webpage.

All financial results, as well as price-sensitive and trade-sensitive information, are released in a timely manner through various media, including press releases posted on the Company's website, and disclosures via SGXNet. The Company's website is an important source of information for shareholders and the investing community. Quarterly business updates, half-year and full-year results announcements, news releases, presentation slides, monthly operating statistics, annual reports, sustainability reports and other key facts and figures about the Company are available on the Investor Relations website.

In FY2020/21, the Company undertook a renounceable rights issue of new ordinary shares in the capital of the Company and mandatory convertible bonds ("Rights Issue"). Information and documents pertaining to the Rights Issue were uploaded on the Company's website under the Investor Relations section and posted on SGXNet.

The Investor Relations Department engages with analysts and investors on a regular basis by organising post-results conference calls and participating in investor conferences to keep the investing community abreast of the Company's developments. The Investor Relations Department also engages with the investing community through one-on-one conference calls and responds to email queries on an ad-hoc basis. A dedicated investor relations email address (investor_relations@singaporeair.com.sg) is maintained for the investing community to reach out to the Company for queries.

The Company's commitment to corporate transparency and investor relations was recognised in 2020 when Singapore Airlines received the 2019 ASEAN Corporate Governance Scorecard Award for the ASEAN Asset Class PLCs (Singapore) category.

Conduct of General Meetings

All Board members attended the last Annual General Meeting and Extraordinary General Meeting of the Company, both held in 2020. Prior to these meetings, shareholders were given the opportunity to raise questions and clarify issues they may have relating to the resolutions to be passed, with the Board. Answers to the shareholders' questions were posted on the Company's website and SGXNet before the shareholders' meetings.

To foster deeper engagement with shareholders, the CEO presents an overview of the key strategies of the Company and other related matters at the start of shareholders' meetings. This enables shareholders to develop more informed views on matters affecting the Company. Shareholders are also informed of the voting procedures and rules governing the meetings in advance. The minutes of the last shareholders' meeting are made available on the Company's website within one month of the date of such meeting.

To enhance transparency in the voting process, the Company has, since FY2008/09, implemented full poll voting for all the resolutions tabled at its shareholders' meetings. Singapore Airlines appoints an independent external party as scrutineer for the electronic poll voting process. Prior to the shareholders' meeting, the scrutineer reviews the proxies and electronic poll voting system, and attends the proxy verification process. This ensures that the proxy and poll voting information is compiled correctly.

After voting on a resolution has closed, the poll voting results, including the number and percentage of votes cast for and against the resolution, are presented to the shareholders. The poll voting results are filed with SGX on the same day as the meeting.

MANAGING STAKEHOLDER RELATIONSHIPS
ENGAGEMENT WITH STAKEHOLDERS (PRINCIPLE 13)

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationship with such groups. These arrangements as well as strategies and key areas of focus in relation to the management of stakeholder relationships are set out in the Company's Sustainability Report. In particular for the key supplier stakeholder group, SIA meets the SATS Group periodically to develop stronger business relationships.

The Company maintains a corporate website to communicate and engage with external stakeholders such as customers, shareholders and investors, and an intranet for employee stakeholder engagement. Various other channels such as mobile applications are also employed to communicate and engage with relevant stakeholder groups.

Other Matters

Lenders to SIA are to note that all bank transactions undertaken by any Group Company must be properly authorised, including the opening of new bank accounts and any proposed credit facilities. Each Group Company has its own approval limits and procedures for every banking transaction, having regard to the nature of the transaction concerned. These approval limits and procedures are updated from time to time and are available on request. The bankers of each Group Company should always verify, in accordance with the verification process set out in the applicable procedures, that the transaction is properly authorised.

MEMBERSHIP AND ATTENDANCE OF SINGAPORE AIRLINES LIMITED BOARD OF DIRECTORS AND BOARD COMMITTEE MEMBERS

FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021

Name of Directors	Board		Board Executive Committee		Board Audit Committee		Board Compensation and Industrial Relations Committee		Board Safety and Risk Committee		Board Nominating Committee		Customer Experience, Technology and Sustainability Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Peter Seah Lim Huat	4	4	7	7	-	-	3	3	4	4	4	4	-	-
Goh Choon Phong	4	4	7	7	-	-	-	-	-	-	-	-	4	4
Gautam Banerjee	4	4	7	7	4	4	-	-	-	-	-	-	-	-
Simon Cheong Sae Peng	4	4	-	-	-	-	3	3	-	-	-	-	4	4
Dominic Ho Chiu Fai	4	4	-	-	4	4	-	-	4	4	-	-	-	-
Hsieh Tsun-yan	4	4	7	7	4	4	3	3	-	-	-	-	-	-
Lee Kim Shin	4	4	-	-	-	-	-	-	4	4	4	4	-	-
David John Gledhill	4	4	-	-	-	-	-	-	4	4	-	-	4	4
Goh Swee Chen	4	4	-	-	4	4	-	-	-	-	4	4	4	4
Jeanette Wong Kai Yuan[1]	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[1] *Ms Jeanette Wong Kai Yuan joined the Board and Board Audit Committee on 1 June 2021.*

FURTHER INFORMATION ON BOARD OF DIRECTORS

PETER SEAH LIM HUAT, aged 74

Non-executive and independent Director

Academic and Professional Qualifications:
Bachelor of Business Administration (Honours), *University of Singapore*

Date of first appointment as a director:
1 September 2015

Date of appointment as Chairman:
1 January 2017

Date of last re-election as a director:
29 July 2019

Board committee(s) served on:

Board Executive Committee	Chairman
Board Compensation and Industrial Relations Committee	Chairman
Board Nominating Committee	Chairman
Board Safety and Risk Committee	Member

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. DBS Group Holdings Ltd	Chairman

Other Principal Commitments

Organisation/Company	Title
1. DBS Bank Ltd	Chairman
2. DBS Bank (Hong Kong) Limited	Chairman
3. LaSalle College of the Arts Limited	Chairman
4. Singapore Health Services Pte Ltd	Chairman
5. STT Communications Ltd	Deputy Chairman
6. Fullerton Financial Holdings Pte Ltd	Deputy Chairman
7. Asia Mobile Holdings Pte Ltd	Director
8. GIC Private Limited	Director
9. Council of Presidential Advisers	Member

Past Directorships/Principal Commitments held over the preceding 5 years

Organisation/Company	Title
1. Level 3 Communications Inc*	Director
2. StarHub Ltd*	Director

GOH CHOON PHONG, aged 57

Executive and non-independent Director

Academic and Professional Qualifications:
Master of Science in Electrical Engineering and Computer Science
Bachelor of Science in Computer Science & Engineering
Bachelor of Science in Management Science
Bachelor of Science in Cognitive Science
Massachusetts Institute of Technology

Date of first appointment as a director:
1 October 2010

Date of last re-election as a director:
27 July 2020

Board committee(s) served on:

Board Executive Committee	Member
Customer Experience, Technology and Sustainability Committee	Member

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. Mastercard Incorporated	Director
2. SIA Engineering Company Limited	Director

Other Principal Commitments

Organisation/Company	Title
1. Budget Aviation Holdings Pte. Ltd.	Chairman
2. International Air Transport Association	Member, Board of Governors
3. National University of Singapore	Member, Board of Trustees
4. Massachusetts Institute of Technology Presidential CEO Advisory Board	Member

Past Directorships/Principal Commitments held over the preceding 5 years

Organisation/Company	Title
1. Association of Asia Pacific Airlines	Executive Committee Member
2. International Air Transport Association	Chairman, Board of Governors
3. National Council of Social Service	Member, Care & Share @SG50 Steering Committee

** Listed Company*

FURTHER INFORMATION ON BOARD OF DIRECTORS

GAUTAM BANERJEE, aged 66

Non-executive and independent Director

Academic and Professional Qualifications:

Bachelor of Science in Accounting and Financial Analysis, *University of Warwick*

Fellow of the Institute of Chartered Accountants, *England and Wales*

Fellow of the Institute of Chartered Accountants, *Singapore*

Date of first appointment as a director:
1 January 2013

Date of last re-election as a director:
27 July 2018

Board committee(s) served on:

Board Audit Committee	Chairman
Board Executive Committee	Member

Current Directorships in Other Listed Companies

	Organisation/Company	Title
1.	Piramal Enterprises Limited, India	Director
2.	Singapore Telecommunications Limited	Director

Other Principal Commitments

	Organisation/Company	Title
1.	Blackstone Group	Senior Managing Director
2.	Blackstone Singapore Pte Ltd	Chairman
3.	Singapore Institute of International Affairs	Advisor
4.	GIC Private Limited	Director
5.	Singapore Centre for Social Enterprise Ltd (raiSE)	Chairman
6.	The Conference Board (Singapore) Ltd	Chair, Asia Advisory Board
7.	Blackstone Treasury Asia Pte Limited	Director
8.	BTO LT Hold Pty Ltd	Director
9.	Defence Science and Technology Agency	Director
10.	Blackstone Advisors India Private Limited	Director
11.	MAS Financial Centre Advisory Panel	Member
12.	National University of Singapore	Pro-Chancellor
13.	Singapore Indian Development Association	Term Trustee, Board of Trustees
14.	The Friends of the University of Warwick, Singapore	Trustee
15.	The Stephen A. Schwarzman Scholars Trust	Trustee

Past Directorships/Principal Commitments held over the preceding 5 years

	Organisation/Company	Title
1.	Listings Advisory Committee, Singapore Exchange	Chairman
2.	Singapore Business Federation	Vice Chairman
3.	EDBI Pte Ltd	Director
4.	The Indian Hotels Company Limited*	Director
5.	Singapore International Arbitration Centre	Director
6.	Singapore Legal Service Commission	Director
7.	The Blackstone Group (Australia) Pty Limited	Director
8.	The Blackstone Group (HK) Limited	Director
9.	Nanyang Business School	Member, Advisory Board
10.	Yale-NUS College	Member, Governing Board
11.	Council of the Board for the Teaching and Testing of South Asian Languages	Member

** Listed Company*

SIMON CHEONG SAE PENG, aged 64

Non-executive and independent Director

Academic and Professional Qualifications:

Master of Business Administration in Finance and Investments, *George Washington University*

Bachelor of Science in Civil Engineering, *University of Washington*

Date of first appointment as a director:
1 June 2017

Date of last re-election as a director:
27 July 2020

Board committee(s) served on:

Customer Experience, Technology and Sustainability Committee	Chairman
Board Compensation and Industrial Relations Committee	Member

Current Directorships in Other Listed Companies

	Organisation/Company	Title
1.	AVJennings Limited	Chairman

Other Principal Commitments

	Organisation/Company	Title
1.	SC Global Developments Pte. Ltd.	Founder & Chairman
2.	Cheong SP Holdings Pte Ltd	Director
3.	MYK Holdings Pte. Ltd.	Director

DAVID JOHN GLEDHILL, aged 59

Non-executive and independent Director

Academic and Professional Qualifications:
Bachelor of Science in Computing and Electronics,
University of Durham, United Kingdom

Date of first appointment as a director:
1 September 2018

Date of last re-election as a director:
29 July 2019

Board committee(s) served on:

Board Safety and Risk Committee	Member
Customer Experience, Technology and Sustainability Committee	Member

Principal Commitments

Organisation/Company	Title
1. ANZ Bank	Board Advisor
2. McKinsey & Company	Senior Advisor
3. Bank of New Zealand	Technology Advisor
4. Sygnum Bank AG	Technology Advisor
5. National University of Singapore Institute of Systems Science	Board Member
6. Quark Consulting Ltd	Director
7. Singapore Ministry of Finance ICT Advisory Panel	Advisory Committee Member

Past Directorships/Principal Commitments held over the preceding 5 years

Organisation/Company	Title
1. DBS Bank Ltd	Senior Advisor
2. Singapore Management University School of Information Systems	Board Advisor
3. Bank of Ireland	Technology Advisor
4. Singapore Clearing House Pte Ltd	Director
5. IBM Board of Advisors	Member
6. National Super Computing Centre Steering Committee	Member
7. National University of Singapore School of Computing	Advisory Committee Member
8. Singapore Clearing House Association	Committee Member

GOH SWEE CHEN, aged 60

Non-executive and independent Director

Academic and Professional Qualifications:
Bachelor of Science in Information Science,
Victoria University of Wellington, New Zealand
Master of Business Administration,
University of Chicago, United States of America

Date of first appointment as a director:
1 January 2019

Date of last re-election as a director:
29 July 2019

Board committee(s) served on:

Board Audit Committee	Member
Customer Experience, Technology and Sustainability Committee	Member
Board Nominating Committee	Member

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. CapitaLand Limited	Director
2. Woodside Petroleum Ltd	Director

Other Principal Commitments

Organisation/Company	Title
1. Institute for Human Resource Professionals Limited	Chairman
2. National Arts Council	Chairman
3. Nanyang Technological University	Chairman
4. Global Compact Network Singapore	President
5. CapitaLand Investment Limited	Director
6. Singapore Power Limited	Director
7. The Centre for Liveable Cities	Director
8. Legal Service Commission	Member

Past Directorships/Principal Commitments held over the preceding 5 years

Organisation/Company	Title
1. Shell Companies in Singapore	Chairman
2. Singapore National Employers Federation	Vice President
3. Singapore International Chamber of Commerce	Director
4. Human Capital Leadership Institute Pte Ltd	Director
5. Singapore University of Technology & Design	Trustee

FURTHER INFORMATION ON BOARD OF DIRECTORS

DOMINIC HO CHIU FAI, aged 70

Non-executive and independent Director

Academic and Professional Qualifications:
Bachelor of Business Administration and Master of Science,
University of Houston

Date of first appointment as a director:
1 May 2017

Date of last re-election as a director:
29 July 2019

Board committee(s) served on:

Board Safety and Risk Committee	Chairman
Board Audit Committee	Member

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. Hang Lung Properties Limited	Director

Other Principal Commitments

Organisation/Company	Title
1. DBS Bank (China) Limited	Chairman
2. DBS Bank (Hong Kong) Limited	Director
3. Underwriters Laboratories Inc.	Director

HSIEH TSUN-YAN, aged 68

Non-executive and independent Director

Academic and Professional Qualifications:
Master of Business Administration,
Harvard University
Bachelor of Science in Mechanical Engineering,
University of Alberta

Date of first appointment as a director:
1 September 2012

Date of last re-election as a director:
27 July 2020

Board committee(s) served on:

Board Audit Committee	Member
Board Compensation and Industrial Relations Committee	Member
Board Executive Committee	Member

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. Manulife Financial Corporation, Canada	Director

Other Principal Commitments

Organisation/Company	Title
1. LinHart Group Pte Ltd	Chairman
2. Manulife US Real Estate Management Pte Ltd	Chairman
3. Dyson Holdings Pte. Ltd.	Director
4. Lee Kuan Yew School of Public Policy, Singapore	Professor (Practice)
5. National University of Singapore Business School	Professor (Practice) And Member, Management Advisory Board
6. Singapore Institute of Management Group Limited	Vice Chairman and Director
7. The Manufacturers Life Insurance Company	Director

Past Directorships/Principal Commitments held over the preceding 5 years

Organisation/Company	Title
1. Singapore Institute of Management Holdings Pte Ltd	Director
2. Duke-NUS Medical School Singapore	Member, Governing Board
3. Institute of Policy Studies Academic Panel, Singapore	Member

LEE KIM SHIN, aged 60

Non-executive and independent Director

Academic and Professional Qualifications:
Bachelor of Laws (Honours),
National University of Singapore

Date of first appointment as a director:
1 September 2016

Date of last re-election as a director:
29 July 2019

Board committee(s) served on:

Board Nominating Committee	Member
Board Safety and Risk Committee	Member

Principal Commitments

Organisation/Company	Title
1. Allen & Gledhill LLP	Partner
2. Allen & Gledhill Regulatory & Compliance Pte Ltd	Chairman
3. Eastern Development Holdings Pte. Ltd.	Director
4. Eastern Development Private Limited	Director
5. Epimetheus Limited	Director
6. Goh Foundation Limited	Director
7. Singapore Institute of Legal Education	Director
8. Singapore Power Limited	Director
9. Duke-NUS Medical School Singapore	Member, Governing Board
10. Yellow Ribbon Fund	Member

Past Directorships/Principal Commitments held over the preceding 5 years

Organisation/Company	Title
1. Singapore Institute of Directors	Member, Governing Council

JEANETTE WONG KAI YUAN, aged 61

Non-executive and independent Director

Academic and Professional Qualifications:
Bachelor of Business Administration,
National University of Singapore
Master of Business Administration,
University of Chicago

Date of first appointment as a director:
1 June 2021

Date of last re-election as a director:
Not applicable

Board committee(s) served on:

Board Audit Committee	Member

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. UBS Group AG	Director
2. Prudential plc	Director

Other Principal Commitments

Organisation/Company	Title
1. UBS AG	Director
2. PSA International Pte Ltd	Director
3. Jurong Town Corporation	Director
4. NUS Business School	Chair, Management Advisory Board
5. National University of Singapore	Member, Board of Trustees
6. Securities Industry Council	Member
7. University of Chicago Booth School of Business	Member, Global Advisory Board, Asia

Past Directorships/Principal Commitments held over the preceding 5 years

Organisation/Company	Title
1. EssilorLuxottica, France*	Director
2. FFMC Holdings Pte. Ltd.	Director
3. Fullerton Fund Management Company Ltd	Director

** Listed Company*

FINANCIAL REPORT

Financial Contents

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 2021.

In our opinion:

(a) the financial statements set out on pages 111 to 210 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 2021, 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, Chapter 50, 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	(Independent)
Simon Cheong Sae Peng	(Independent)
David John Gledhill	(Independent)
Goh Swee Chen	(Independent)
Dominic Ho Chiu Fai	(Independent)
Hsieh Tsun-yan	(Independent)
Lee Kim Shin	(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, Chapter 50, 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 2020**	**31 March 2021**	**1 April 2020**	**31 March 2021**
Interest in Singapore Airlines Limited				
Ordinary shares				
Peter Seah Lim Huat	24,800	126,200	–	–
Goh Choon Phong	1,132,149	3,074,209	–	–
Gautam Banerjee	7,100	36,550	–	–

DIRECTORS' STATEMENT

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

	Direct interest		Deemed interest	
Name of Director	**1 April 2020**	**31 March 2021**	**1 April 2020**	**31 March 2021**
Interest in Singapore Airlines Limited (continued)				
Ordinary shares (continued)				
Simon Cheong Sae Peng	6,870	32,975	–	–
David John Gledhill	2,700	20,400	–	–
Goh Swee Chen	1,300	18,550	–	–
Dominic Ho Chiu Fai	8,600	31,900	–	–
Hsieh Tsun-yan	6,100	31,850	–	–
Lee Kim Shin	5,300	19,800	–	–
Conditional award of restricted shares (note 1)				
Goh Choon Phong – Base Awards	75,000	106,000	–	–
– Final Awards (Pending Release)	55,800	51,669	–	–
Conditional award of performance shares (note 2)				
Goh Choon Phong – Base Awards	235,250	386,927	–	–
Conditional award of deferred restricted shares (note 3)				
Goh Choon Phong – Base Awards	44,600	33,113	–	–
Conditional award of transformation restricted shares (note 4)				
Goh Choon Phong – Base Awards	80,295	–	–	–
– Final Awards (Pending Release)	41,500	29,451	–	–
Conditional award of strategic restricted shares (note 5)				
Goh Choon Phong – Final Awards (Pending Release)	–	93,350	–	–
Singapore Airlines Mandatory Convertible Bond due 2030				
Goh Swee Chen	–	S$3,835	–	–
Interest in Ascendas India Trust				
Units				
Gautam Banerjee	120,000	120,000	–	–
Interest in Ascendas Real Estate Investment Trust				
Units				
Gautam Banerjee	20,000	20,000	–	–
Interest in Ascott Real Estate Investment Trust				
Units				
Simon Cheong Sae Peng	–	–	308,000#	–
Interest in CapitaLand Commercial Trust^				
Units				
Peter Seah Lim Huat	58,300	NA^	–	–
Goh Choon Phong	6,700	NA^	–	–
Interest in CapitaLand Mall Trust^				
Units				
Peter Seah Lim Huat	148,000	NA^	–	–
Gautam Banerjee	120,000	NA^	–	–
Interest in CapitaLand Integrated Commercial Trust^				
Units				
Peter Seah Lim Huat	NA^	189,976^	–	–
Goh Choon Phong	NA^	4,824^	–	–
Gautam Banerjee	NA^	120,000^	–	–

DIRECTORS' STATEMENT

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

Name of Director	Direct interest 1 April 2020	Direct interest 31 March 2021	Deemed interest 1 April 2020	Deemed interest 31 March 2021
Interest in CapitaLand Limited				
Ordinary shares				
Peter Seah Lim Huat	376,596	392,928	–	–
Goh Choon Phong	35,000	35,000	–	–
Goh Swee Chen	15,217	29,592	5,000*	5,000*
Interest in CapitaLand Retail China Trust				
Units				
Peter Seah Lim Huat	98,721	106,872	–	–
Simon Cheong Sae Peng	–	–	245,000#	245,000#
Interest in Mapletree Commercial Trust				
Units				
Simon Cheong Sae Peng	–	–	1,395,268*	–
Interest in Mapletree Industrial Trust				
Units				
Simon Cheong Sae Peng	–	–	–	90,000#
Interest in Mapletree North Asia Commercial Trust				
Units				
Simon Cheong Sae Peng	–	–	295,000#	295,000#
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 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	–	–
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	–	–

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

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

^ *CapitaLand Commercial Trust Management Limited ("CCTM") merged with CapitaLand Mall Trust with the merged entity renamed as CapitaLand Integrated Commercial Trust with effect from 3 November 2020. CCTM was subsequently delisted from SGX-ST on 3 November 2020.*

DIRECTORS' STATEMENT

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

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 period 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 at the end of three years from the date of the grant of the award. At the end of the vesting period, an additional number of shares equivalent to the Base Award multiplied by the accumulated dividend yield (based on the sum of SIA share dividend yields declared with ex-dividend dates occurring during the vesting period) will vest.

4. The Awards of fully-paid ordinary shares will partially vest after a one-year performance period commencing from the date of the grant of the award. The actual number of Final Awards will range from 0% to 200% of the Base Awards and will vest over three years with 50% vesting after the end of the first year, 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.

5. The Awards of fully-paid ordinary shares will vest over two years with 50% vesting immediately upon the date of grant, 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 2021.

4 Equity Compensation Plans of the Company

The Company has in place the SIA Restricted Share Plan 2014 ("RSP 2014") and the SIA Performance Share Plan 2014 ("PSP 2014").

At the date of this statement, the Board Compensation & Industrial Relations Committee ("BCIRC") which administers the RSP 2014 and PSP 2014 comprises the following Directors:

Peter Seah Lim Huat – Chairman
Simon Cheong Sae Peng
Hsieh Tsun-yan

RSP 2014 and PSP 2014

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

Under the RSP 2014, 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 2014 shares to be awarded at the end of the respective performance periods ("Final Award"). All RSP 2014 awards reported for the financial period under review were granted from 2016 onwards.

DIRECTORS' STATEMENT

4 Equity Compensation Plans of the Company (continued)

RSP 2014 and PSP 2014 (continued)

Under the PSP 2014, 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 2014 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 2014 and PSP 2014.

One-third of the RSP 2014 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 transformation awards of restricted shares granted in July 2018 under the RSP 2014, half of the 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. On the final vesting date, an additional equity kicker equivalent to 20% of the Final Award will be settled with the participant.

For the strategic awards of restricted shares granted in July 2020 under the RSP 2014, 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 2014 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 2014 and PSP 2014 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 2014 and PSP 2014.

No participant has received 5% or more of the total number of awards granted under the RSP 2014 and PSP 2014.

Details of the shares awarded under the RSP 2014 and PSP 2014 to Directors of the Company are as follows:

1. RSP 2014 Share Awards Granted to Non-Executive Directors

During the financial year, an aggregate of 186,200 shares were delivered pursuant to awards granted under the RSP 2014 to certain Non-Executive Directors as part of their Directors' Fees for the period 1 April 2019 to 31 March 2020 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 2021	Aggregate share awards granted since commencement of the RSP 2014 to end of the financial year under review
Peter Seah Lim Huat	64,200	–	89,000
Gautam Banerjee	18,800	–	25,900
Simon Cheong Sae Peng	15,800	–	20,800
David John Gledhill	17,700	–	20,400
Goh Swee Chen	15,300	–	16,600
Dominic Ho Chiu Fai	23,300	–	31,900
Hsieh Tsun-yan	16,600	–	22,700
Lee Kim Shin	14,500	–	19,800

DIRECTORS' STATEMENT

4 Equity Compensation Plans of the Company (continued)

2. RSP 2014 Base Awards

Name of participant	Balance as at 1 April 2020	Adjustments in May 2020 due to SIA Rights Issue	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2021	Aggregate Base Awards granted since commencement of RSP 2014 to end of financial year under review
Goh Choon Phong	75,000	31,448	106,000	106,448	106,000	434,448

3. RSP 2014 Final Awards (Pending Release) [R1]

Name of participant	Balance as at 1 April 2020	Adjustments in May 2020 due to SIA Rights Issue	Final Awards granted during the financial year#	Final Awards released during the financial year	Balance as at 31 March 2021	Aggregate ordinary shares released to participant since commencement of RSP 2014 to end of financial year under review
Goh Choon Phong	55,800	23,398	40,460	67,989	51,669	252,789

4. PSP 2014 Base Awards [R2]

Name of participant	Balance as at 1 April 2020	Adjustments in May 2020 due to SIA Rights Issue	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2021	Aggregate Base Awards granted since commencement of PSP 2014 to end of financial year under review	Aggregate ordinary shares released to participant since commencement of PSP 2014 to end of financial year under review
Goh Choon Phong	235,250	98,642	135,000	81,965	386,927	633,892	41,130

5. Deferred RSP 2014 ("DSA")

Details of the deferred RSP 2014 awards of restricted shares are disclosed in note 5 to the financial statements. The grant of deferred RSP 2014 awards were made under the authority of the BCIRC.

Details of the shares awarded under the deferred RSP 2014 to a Director of the Company are as follows:

Name of participant	Balance as at 1 April 2020	Adjustments in May 2020 due to SIA Rights Issue	Adjustment^	Base Awards granted during the financial year	Awards vested during the financial year	Balance as at 31 March 2021	Aggregate Base Awards granted since commencement of DSA to end of financial year under review	Aggregate ordinary shares released to participant since commencement of DSA to end of financial year under review
Goh Choon Phong	44,600	18,702	2,230	–	32,419	33,113	108,902	82,199

DIRECTORS' STATEMENT

4 Equity Compensation Plans of the Company (continued)

6. Transformation RSP 2014 ("TSA")

Details of the transformation RSP 2014 awards of restricted shares are disclosed in note 5 to the financial statements. The grant of transformation RSP 2014 awards were made under the authority of the BCIRC.

Details of the shares awarded under the transformation RSP 2014 to a Director of the Company are as follows:

(a) TSA Base Awards

Name of participant	Balance as at 1 April 2020	Adjustments in May 2020 due to SIA Rights Issue	Cancelled	Balance as at 31 March 2021	Aggregate Base Awards granted since commencement of TSA to end of financial year under review
Goh Choon Phong	80,295	33,668	113,963	–	180,046

(b) TSA Final Awards (Pending Release) R3

Name of participant	Balance as at 1 April 2020	Adjustments in May 2020 due to SIA Rights Issue	Final Awards released during the financial year	Balance as at 31 March 2021	Aggregate ordinary shares released to participant since commencement of TSA to end of financial year under review
Goh Choon Phong	41,500	17,402	29,451	29,451	70,951

7. Strategic RSP 2014 ("SSA")

Details of the strategic RSP 2014 awards of restricted shares are disclosed in note 5 to the financial statements. The grant of strategic RSP 2014 awards were made under the authority of the BCIRC.

Details of the shares awarded under the strategic RSP 2014 to a Director of the Company are as follows:

(a) SSA Base Awards

Name of participant	Balance as at 1 April 2020	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2021	Aggregate Base Awards granted since commencement of SSA to end of financial year under review
Goh Choon Phong	–	186,700	186,700	–	186,700

DIRECTORS' STATEMENT

4 Equity Compensation Plans of the Company (continued)

7. Strategic RSP 2014 ("SSA") (continued)

(b) SSA Final Awards (Pending Release) [R4]

Name of participant	Balance as at 1 April 2020	Final Awards granted during the financial year[#]	Final Awards released during the financial year	Balance as at 31 March 2021	Aggregate ordinary shares released to participant since commencement of SSA to end of financial year under review
Goh Choon Phong	–	186,700	93,350	93,350	93,350

R1 *The actual number of RSP 2014 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 2014 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 TSA 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 one-year performance periods relating to the relevant awards.*

R4 *The actual number of SSA Final Awards of fully paid ordinary shares is contingent on BCIRC 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 performance period for accumulated dividend yield.*

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 non-executive Directors:

Gautam Banerjee - Chairman
Dominic Ho Chiu Fai
Hsieh Tsun-yan
Goh Swee Chen

The Audit Committee performed its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, 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;

DIRECTORS' STATEMENT

6 Audit Committee (continued)

(ii) the Board's comments on the adequacy and effectiveness of the Group's internal control systems, and whether it concurs with the Board's 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, Executive Vice President Finance & Strategy and Senior Vice President Finance 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.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX-ST Listing Manual.

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 19th day of May 2021

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 2021, the consolidated profit and loss account, consolidated statements of comprehensive income, changes in equity and 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 111 to 210.

In our opinion, the accompanying consolidated financial statements of the Group and the statements of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("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 2021 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE AIRLINES LIMITED

Accounting for the carrying values of aircraft and related assets

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

The key audit matter	How the matter was addressed in our audit
The accounting for the carrying value of aircraft and related assets has a material impact on the Group due to the significant cumulative value of the aircraft and long-lived nature of these assets. The Covid-19 pandemic has resulted in international borders being effectively closed via total closures or 14 to 21-day quarantine requirements in key markets. As a consequence, the international aviation industry has entered into a deep and prolonged recession and the return to pre-pandemic levels is not expected by the industry body until at least the calendar year 2023. Consequently, certain surplus aircraft were identified during the Group's longer-term network review. The remaining aircraft within the two Cash Generating Units ("CGUs") – the low cost airline ("LCC") and full service and cargo operations ("FSC") were assessed for impairment based on their respective values-in-use. As a result, the entire goodwill relating to the LCC CGU was impaired, and the surplus aircraft in both CGUs were impaired to their respective fair values. The value-in-use assessment requires significant estimates and assumptions to be made over areas including future revenues (yield), operating costs (excluding fuel costs), fuel costs, growth rates, projected aircraft usage, aircraft capital expenditure and discount rates for each of the two CGUs. These estimates and assumptions are in turn, subject to a high degree of estimation uncertainty and significant judgement. As such, this is a key area of focus for our audit.	We held discussions with senior management to understand the rationale and assumptions underpinning the review of the longer-term network. We assessed the appropriateness of management's allocation of aircraft and related assets to the FSC and LCC CGUs and the identified surplus aircraft. In relation to the impaired aircraft and their related assets which were removed from the FSC and LCC CGUs, we assessed the appropriateness of the basis used in determining the fair values. In relation to the aircraft and related assets remaining within the FSC and LCC CGUs, we held discussions with senior management to understand the assumptions used in forming the estimates underpinning the assessment of the recoverable amount of the FSC and LCC CGUs. These estimates include those relating to yield, operating costs (excluding fuel costs), fuel costs, growth rates, projected aircraft usage, aircraft capital expenditure and discount rates. We challenged these estimates based on our knowledge of the business, the aviation industry and our understanding of the different possible recovery scenarios of global passenger demand. We corroborated our knowledge and understanding by reading publicly available aviation industry reports relating to the impact that the Covid-19 pandemic is expected to have on global passenger demand, where relevant to the Group, to understand the possible recovery scenarios. We performed scenario analyses over the LCC CGU's recovery scenarios and sensitivity analyses for both CGUs over certain inputs, being long term growth rates and yield used in assessing the recoverable amount CGUs. We assessed the arithmetical accuracy of the computations used in assessing the recoverable amount of the FSC and LCC CGUs.

Findings

The surplus aircraft identified and the subsequent allocation of aircraft and related assets to the two CGUs reflected how management intended to utilise these assets arising from the longer-term network review. The assessment of the fair values of aircraft removed from the FSC and LCC CGUs were appropriate. Key inputs including yield, discount rates and growth rates used in assessing the recoverable amount of the FSC and LCC CGUs are subject to significant amounts of volatility and uncertainty. Nevertheless, we found the estimates underpinning the cashflow projections involved in the computation of the recoverable amount of the FSC and LCC CGUs, to be reasonable in the context of currently available relevant information.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE AIRLINES LIMITED

Accounting for fuel hedges

Refer to note 2(k) "Financial Instruments" and note 3(g) "Hedge effectiveness of fuel derivatives" for the relevant accounting policy and a discussion of significant accounting estimates.

The key audit matter	How the matter was addressed in our audit
The Group uses a variety of crude oil and jet fuel derivative financial instruments as part of its multi-year hedging program to hedge the risks associated with jet fuel price fluctuations arising from its forecasted passenger and cargo flight operations. The Group continues to be in an over-hedged position due to the significant capacity cuts brought about by the travel restrictions associated with the Covid-19 pandemic as compared to the forecasted capacity when these hedges were first entered into by the Group. As a result, hedge accounting for certain crude oil and jet fuel derivative financial instruments has been discontinued as the forecasted transactions are either no longer highly probable or no longer expected to occur. There continues to be a high degree of estimation uncertainty inherent and significant judgement is required in assessing the expected duration and severity of the Covid-19 pandemic and the associated impact on passenger flight operations over the multi-year hedging horizon. The application of hedge accounting requirements is extensive and complex. As a result, this is a key area of focus for our audit.	We read publicly available aviation industry reports relating to the impact the Covid-19 pandemic is expected to have on global passenger demand, where relevant to the Group, to understand the possible recovery scenarios. We held discussions with senior management to understand the basis of the assumptions used in forming the forecasted jet fuel consumption for passenger and cargo flight operations. We challenged these estimates based on our understanding of the range of possible Covid-19 recovery scenarios for passenger flight operations. We checked that the requirements associated with hedge accounting were appropriately applied. We tested the accuracy of the fair value losses of the underlying derivative instruments and the allocation of those losses in the statement of financial position and income statement.

Findings

The near-term travel restrictions associated with the Covid-19 pandemic remains uncertain, and the forecasted passenger flight operations remain significantly disrupted. However, gradual improvement is expected with the rollout of vaccines and testing regimes globally, the opening of "travel bubbles" between Singapore and other countries and the recovery of transit traffic through the Group's Singapore hub. The key assumptions used in the forecasted future flight operations, and hence jet fuel consumption, were reasonable in the context of currently available relevant information.

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 *Three-year Financial Highlights, SIA Group Portfolio, Statistical Highlights, Our Transformation Journey, Network, Products and Services, SIA Cargo, Awards and Statement on Risk Management* 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE AIRLINES LIMITED

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.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE AIRLINES LIMITED

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 Malcolm Ramsay.

KPMG LLP
Public Accountants and
Chartered Accountants

Dated this 19th day of May 2021
Singapore

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (IN $ MILLION)

		The Group	
	Notes	FY2020/21	FY2019/20
REVENUE	4	3,815.9	15,975.9
EXPENDITURE			
Staff costs	5	1,160.5	2,563.6
Fuel costs		1,015.5	4,636.5
Fuel hedging ineffectiveness	42(a)	214.0	709.8
Depreciation	22, 23	2,075.9	2,134.2
Impairment of property, plant and equipment	22	2.0	14.2
Amortisation of intangible assets	24	65.8	57.5
Aircraft maintenance and overhaul costs		446.4	835.4
Commission and incentives		(13.6)	489.8
Landing, parking and overflying charges		219.0	886.4
Handling charges		394.1	1,276.7
Rentals on leased aircraft		9.8	79.2
In-flight meals		10.7	539.0
Advertising and sales costs		12.6	334.2
Company accommodation and utilities		35.7	50.2
Other passenger costs		31.1	187.7
Crew expenses		15.0	172.4
Impairment of amount owing by a joint venture company		12.6	61.6
Other operating expenses		621.3	888.4
		6,328.4	15,916.8
OPERATING (LOSS)/PROFIT	6	(2,512.5)	59.1
Finance charges	7	(267.9)	(220.9)
Interest income	8	35.4	42.1
Impairment of aircraft	22	(1,734.3)	–
Impairment of base maintenance assets	22	(36.9)	–
Impairment of goodwill	24	(170.4)	–
Impairment of intangible assets	24	(11.4)	–
(Loss)/Surplus on disposal of aircraft, spares and spare engines		(27.0)	6.9
Dividends from long-term investments		8.4	3.2
Other non-operating items	9	(127.8)	(31.9)
Share of profits of joint venture companies		14.0	46.4
Share of losses of associated companies		(126.8)	(125.1)
LOSS BEFORE TAXATION		(4,957.2)	(220.2)
TAXATION	10	673.8	50.8
LOSS FOR THE FINANCIAL YEAR		(4,283.4)	(169.4)
(LOSS)/PROFIT ATTRIBUTABLE TO:			
OWNERS OF THE COMPANY		(4,270.7)	(212.0)
NON-CONTROLLING INTERESTS		(12.7)	42.6
		(4,283.4)	(169.4)
LOSS PER SHARE (CENTS)	11	(115.6)	(11.2)
DILUTED LOSS PER SHARE (CENTS)	11	(115.6)	(11.3)

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 2021 (IN $ MILLION)

	The Group	
	FY2020/21	**FY2019/20**
LOSS FOR THE FINANCIAL YEAR	(4,283.4)	(169.4)
OTHER COMPREHENSIVE INCOME:		
Items that are or may be reclassified subsequently to profit or loss:		
Currency translation differences	(47.5)	35.5
Net fair value changes on cash flow hedges	1,964.7	(2,603.3)
Share of other comprehensive income of associated and joint venture companies	6.6	5.2
Realisation of foreign currency translation reserves on liquidation of an associated company	–	0.2
Realisation of reserves on disposal of an associated company	25.0	–
Items that will not be reclassified subsequently to profit or loss:		
Actuarial loss on revaluation of defined benefit plans	(4.9)	(5.3)
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR, NET OF TAX	1,943.9	(2,567.7)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	(2,339.5)	(2,737.1)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
OWNERS OF THE COMPANY	(2,317.8)	(2,786.4)
NON-CONTROLLING INTERESTS	(21.7)	49.3
	(2,339.5)	(2,737.1)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021 (IN $ MILLION)

	Notes	The Group 31 March 2021	The Group 31 March 2020	The Company 31 March 2021	The Company 31 March 2020
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	13	7,180.2	1,856.1	7,180.2	1,856.1
Mandatory convertible bonds	14	3,496.1	–	3,496.1	–
Treasury shares	15	(133.2)	(156.0)	(133.2)	(156.0)
Other reserves	16	5,362.8	7,614.0	5,968.8	7,162.6
		15,905.9	9,314.1	16,511.9	8,862.7
NON-CONTROLLING INTERESTS		372.2	418.6	–	–
TOTAL EQUITY		16,278.1	9,732.7	16,511.9	8,862.7
DEFERRED ACCOUNT	17	41.0	33.3	41.0	33.3
DEFERRED TAXATION	18	1,032.5	1,335.3	1,018.9	1,292.2
LONG-TERM LEASE LIABILITIES		2,373.6	1,467.6	1,976.1	700.6
BORROWINGS	19	10,564.8	7,162.9	10,264.3	6,810.3
OTHER LONG-TERM LIABILITIES	20	506.4	1,875.7	496.3	1,860.7
PROVISIONS	21	965.1	990.7	387.1	308.3
DEFINED BENEFIT PLANS		106.6	112.5	106.1	111.9
		31,868.1	22,710.7	30,801.7	19,980.0
Represented by:					
PROPERTY, PLANT AND EQUIPMENT	22	23,483.3	25,485.8	19,048.1	20,315.6
RIGHT-OF-USE ASSETS	23	2,395.7	1,477.7	1,983.7	745.7
INTANGIBLE ASSETS	24	301.1	487.0	229.1	216.6
SUBSIDIARY COMPANIES	25	–	–	5,880.6	4,769.9
ASSOCIATED COMPANIES	26	833.1	817.0	332.3	120.3
JOINT VENTURE COMPANIES	27	200.2	191.5	32.3	32.3
LONG-TERM INVESTMENTS	28	49.9	65.2	46.6	54.8
OTHER LONG-TERM ASSETS	29	646.0	345.7	495.9	167.4
CURRENT ASSETS					
Derivative assets	42	156.8	169.3	156.8	169.3
Inventories	30	194.9	239.3	145.3	168.4
Trade debtors	31	939.5	820.5	753.9	440.5
Amounts owing by subsidiary companies	31	–	–	12.5	200.4
Deposits and other debtors	32	117.3	330.8	68.5	297.7
Prepayments		80.7	121.1	61.5	85.1
Other short-term assets		29.4	38.9	20.9	30.3
Investments	33	271.8	423.5	216.5	375.3
Cash and bank balances	34	7,783.0	2,685.3	7,512.1	2,521.9
Assets held for sale	22	98.6	14.2	25.2	–
		9,672.0	4,842.9	8,973.2	4,288.9
Less: **CURRENT LIABILITIES**					
Borrowings	19	907.1	2,661.0	842.8	2,601.1
Lease liabilities		491.4	493.0	315.0	273.7
Current tax payable		95.4	68.5	76.8	39.2
Trade and other creditors	35	2,117.2	3,016.0	1,511.3	2,250.5
Amounts owing to subsidiary companies	35	–	–	1,530.7	1,021.5
Sales in advance of carriage	36	568.1	2,041.4	504.4	1,888.3
Deferred revenue	36	957.8	755.8	957.8	755.8
Deferred account	17	16.9	31.6	13.8	29.7
Derivative liabilities	42	130.4	1,570.8	124.0	1,565.2
Provisions	21	428.9	364.0	343.5	306.5
		5,713.2	11,002.1	6,220.1	10,731.5
NET CURRENT ASSETS/(LIABILITIES)		3,958.8	(6,159.2)	2,753.1	(6,442.6)
		31,868.1	22,710.7	30,801.7	19,980.0

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 2021 (IN $ MILLION)

The Group

	Notes	Share capital	Mandatory convertible bonds	Treasury shares
Balance at 1 April 2020		1,856.1	–	(156.0)
Comprehensive income				
Currency translation differences	16(b)	–	–	–
Net fair value changes on cash flow hedges	16(d)	–	–	–
Actuarial loss on revaluation of defined benefit plans		–	–	–
Realisation of reserves from disposal of interest in an associated company		–	–	–
Share of other comprehensive income of associated and joint venture companies		–	–	–
Other comprehensive income for the financial year, net of tax		–	–	–
Loss for the financial year		–	–	–
Total comprehensive income for the financial year		–	–	–
Transactions with owners, recorded directly in equity Contributions by and distributions to owners				
Issue of ordinary shares		5,324.1	–	–
Issue of mandatory convertible bonds		–	3,496.1	–
Issue of convertible bonds		–	–	–
Realisation of reserves from disposal of interest in an associated company		–	–	–
Changes in ownership interest without loss of control		–	–	–
Share-based compensation expense	5	–	–	–
Share awards lapsed		–	–	–
Treasury shares reissued pursuant to equity compensation plans	15	–	–	22.8
Dividends	12	–	–	–
Total contributions by and distributions to owners		5,324.1	3,496.1	22.8
Changes in ownership interests in subsidiary companies				
Acquisition of non-controlling interests without change in control		–	–	–
Disposal of a subsidiary company with non-controlling interests		–	–	–
Total transactions with owners		5,324.1	3,496.1	22.8
Balance at 31 March 2021		7,180.2	3,496.1	(133.2)

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

Attributable to owners of the Company							
Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non-controlling interests	Total equity
(112.7)	(5.3)	25.7	(2,150.9)	9,857.2	9,314.1	418.6	9,732.7
–	(37.4)	–	–	–	(37.4)	(10.1)	(47.5)
–	–	–	1,965.8	–	1,965.8	(1.1)	1,964.7
–	–	–	–	(4.9)	(4.9)	–	(4.9)
–	25.6	–	(0.6)	–	25.0	–	25.0
(2.9)	0.2	–	7.1	–	4.4	2.2	6.6
(2.9)	(11.6)	–	1,972.3	(4.9)	1,952.9	(9.0)	1,943.9
–	–	–	–	(4,270.7)	(4,270.7)	(12.7)	(4,283.4)
(2.9)	(11.6)	–	1,972.3	(4,275.6)	(2,317.8)	(21.7)	(2,339.5)
–	–	–	–	–	5,324.1	–	5,324.1
–	–	–	–	–	3,496.1	–	3,496.1
74.3	–	–	–	–	74.3	–	74.3
(48.3)	–	1.4	–	46.9	–	–	–
–	–	(4.3)	–	3.7	(0.6)	0.3	(0.3)
–	–	13.2	–	–	13.2	0.7	13.9
–	–	(2.1)	–	2.1	–	–	–
(9.0)	–	(13.1)	–	–	0.7	–	0.7
–	–	–	–	–	–	(14.3)	(14.3)
17.0	–	(4.9)	–	52.7	8,907.8	(13.3)	8,894.5
1.8	–	–	–	–	1.8	(5.9)	(4.1)
–	–	–	–	–	–	(5.5)	(5.5)
18.8	–	(4.9)	–	52.7	8,909.6	(24.7)	8,884.9
(96.8)	(16.9)	20.8	(178.6)	5,634.3	15,905.9	372.2	16,278.1

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (IN $ MILLION)

The Group

	Notes	Share capital	Treasury shares	Capital reserve
Balance at 1 April 2019*		1,856.1	(171.5)	(124.3)
Effects of changes in accounting standards		–	–	–
As restated		1,856.1	(171.5)	(124.3)
Comprehensive income				
Currency translation differences	16(b)	–	–	–
Net fair value changes on cash flow hedges	16(d)	–	–	–
Actuarial loss on revaluation of defined benefit plans		–	–	–
Realisation of foreign currency translation reserves on liquidation of an associated company		–	–	–
Share of other comprehensive income of associated and joint venture companies		–	–	13.1
Other comprehensive income for the financial year, net of tax		–	–	13.1
(Loss)/Profit for the financial year		–	–	–
Total comprehensive income for the financial year		–	–	13.1
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Share of other changes in equity of an associated company		–	–	(2.5)
Changes in ownership interest without loss of control		–	–	–
Share-based compensation expense	5	–	–	–
Treasury shares reissued pursuant to equity compensation plans	15	–	15.5	1.0
Issuance of share capital by a subsidiary company		–	–	–
Dividends	12	–	–	–
Total transactions with owners		–	15.5	(1.5)
Balance at 31 March 2020		1,856.1	(156.0)	(112.7)

* The Group initially applied IFRS 16 on 1 April 2019.

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

	Attributable to owners of the Company						
	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non-controlling interests	Total equity
	(33.2)	24.9	459.7	11,275.1	13,286.8	396.4	13,683.2
	–	–	–	(847.4)	(847.4)	–	(847.4)
	(33.2)	24.9	459.7	10,427.7	12,439.4	396.4	12,835.8
	25.1	–	–	–	25.1	10.4	35.5
	–	–	(2,602.3)	–	(2,602.3)	(1.0)	(2,603.3)
	–	–	–	(4.8)	(4.8)	(0.5)	(5.3)
	0.2	–	–	–	0.2	–	0.2
	2.6	–	(8.3)	–	7.4	(2.2)	5.2
	27.9	–	(2,610.6)	(4.8)	(2,574.4)	6.7	(2,567.7)
	–	–	–	(212.0)	(212.0)	42.6	(169.4)
	27.9	–	(2,610.6)	(216.8)	(2,786.4)	49.3	(2,737.1)
	–	–	–	–	(2.5)	(0.5)	(3.0)
	–	(3.6)	–	1.8	(1.8)	2.1	0.3
	–	20.5	–	–	20.5	1.0	21.5
	–	(16.1)	–	–	0.4	–	0.4
	–	–	–	–	–	1.0	1.0
	–	–	–	(355.5)	(355.5)	(30.7)	(386.2)
	–	0.8	–	(353.7)	(338.9)	(27.1)	(366.0)
	(5.3)	25.7	(2,150.9)	9,857.2	9,314.1	418.6	9,732.7

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (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 2020		1,856.1	–	(156.0)	(928.8)	22.1	(1,734.3)	9,803.6	8,862.7
Effects of integration of SilkAir (Singapore) Private Limited ("SilkAir")	18, 23	–	–	–	(7.9)	–	–	–	(7.9)
Comprehensive income									
Net fair value changes on cash flow hedges	16(d)	–	–	–	–	–	1,597.7	–	1,597.7
Actuarial loss on revaluation of defined benefit plans		–	–	–	–	–	–	(4.9)	(4.9)
Other comprehensive income for the financial year, net of tax		–	–	–	–	–	1,597.7	(4.9)	1,592.8
Loss for the financial year		–	–	–	–	–	–	(2,841.1)	(2,841.1)
Total comprehensive income for the financial year		–	–	–	–	–	1,597.7	(2,846.0)	(1,248.3)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Issue of ordinary shares		5,324.1	–	–	–	–	–	–	5,324.1
Issue of mandatory convertible bonds		–	3,496.1	–	–	–	–	–	3,496.1
Issue of convertible bonds		–	–	–	74.3	–	–	–	74.3
Share-based compensation expense		–	–	–	–	10.2	–	–	10.2
Share awards lapsed		–	–	–	–	(2.1)	–	2.1	–
Treasury shares reissued pursuant to equity compensation plans	15	–	–	22.8	(9.0)	(13.1)	–	–	0.7
Total transactions with owners		5,324.1	3,496.1	22.8	65.3	(5.0)	–	2.1	8,905.4
Balance at 31 March 2021		7,180.2	3,496.1	(133.2)	(871.4)	17.1	(136.6)	6,959.7	16,511.9

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 2021 (IN $ MILLION)

The Company

	Notes	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2019*		1,856.1	(171.5)	(929.8)	21.2	366.4	10,631.0	11,773.4
Effects of changes in accounting standards		–	–	–	–	–	(184.4)	(184.4)
As restated		1,856.1	(171.5)	(929.8)	21.2	366.4	10,446.6	11,589.0
Comprehensive income								
Net fair value changes on cash flow hedges	16(d)	–	–	–	–	(2,100.7)	–	(2,100.7)
Actuarial loss on revaluation of defined benefit plans		–	–	–	–	–	(4.0)	(4.0)
Other comprehensive income for the financial year, net of tax		–	–	–	–	(2,100.7)	(4.0)	(2,104.7)
Loss for the financial year		–	–	–	–	–	(283.5)	(283.5)
Total comprehensive income for the financial year		–	–	–	–	(2,100.7)	(287.5)	(2,388.2)
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Share-based compensation expense		–	–	–	17.0	–	–	17.0
Treasury shares reissued pursuant to equity compensation plans	15	–	15.5	1.0	(16.1)	–	–	0.4
Dividends	12	–	–	–	–	–	(355.5)	(355.5)
Total transactions with owners		–	15.5	1.0	0.9	–	(355.5)	(338.1)
Balance at 31 March 2020		1,856.1	(156.0)	(928.8)	22.1	(1,734.3)	9,803.6	8,862.7

* The Company initially applied IFRS 16 on 1 April 2019.

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 2021 (IN $ MILLION)

		The Group	
	Notes	FY2020/21	FY2019/20
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		**(4,957.2)**	(220.2)
Adjustments for:			
Depreciation	22, 23	**2,075.9**	2,134.2
Impairment of aircraft	22	**1,734.3**	–
Impairment of property, plant and equipment	22	**2.0**	14.2
Impairment of base maintenance assets	22	**36.9**	–
Impairment of goodwill	24	**170.4**	–
Impairment of intangible assets	24	**11.4**	–
Amortisation of intangible assets	24	**65.8**	57.5
Impairment of trade debtors	6	**4.6**	7.5
Impairment of amount owing by a joint venture company		**12.6**	61.6
Writedown of inventories	6	**12.4**	8.8
Income from short-term investments	6	**(1.2)**	(1.4)
Provisions	21	**207.0**	180.0
Share-based compensation expense	5	**13.2**	20.5
Exchange differences		**45.5**	(11.0)
Net (gain)/loss on financial assets mandatorily measured at fair value through profit or loss (“FVTPL”)	6	**(2.6)**	0.5
Fuel hedging ineffectiveness		**214.0**	709.8
Foreign currency hedging ineffectiveness	6	**12.6**	(30.0)
Finance charges	7	**267.9**	220.9
Interest income	8	**(35.4)**	(42.1)
Loss/(Surplus) on disposal of aircraft, spares and spare engines		**27.0**	(6.9)
Dividends from long-term investments		**(8.4)**	(3.2)
Other non-operating items	9	**127.8**	31.9
Share of profits of joint venture companies		**(14.0)**	(46.4)
Share of losses of associated companies		**126.8**	125.1
Operating cash flow before working capital changes		**149.3**	3,211.3
Decrease in trade and other creditors		**(2,621.5)**	(346.2)
Decrease in sales in advance of carriage		**(1,473.3)**	(674.0)
Decrease in trade debtors		**225.8**	660.3
Decrease/(Increase) in deposits and other debtors		**215.6**	(237.0)
Decrease in prepayments		**40.4**	10.6
Increase in inventories		**(13.1)**	(18.2)
Increase in deferred revenue		**202.0**	144.9
Cash (used in)/generated from operations		**(3,274.8)**	2,751.7
Income taxes paid		**(17.6)**	(19.8)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES		**(3,292.4)**	2,731.9

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 2021 (IN $ MILLION)

		The Group	
	Notes	FY2020/21	FY2019/20
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure	37	**(2,695.5)**	(5,103.5)
Purchase of intangible assets	37	**(74.1)**	(91.6)
Proceeds from disposal of aircraft and other property, plant and equipment		**156.4**	124.3
Proceeds from sale and leaseback transactions		**1,230.5**	117.2
Proceeds from disposal of long-term investments		**30.3**	41.5
Purchase of short-term investments		**(584.6)**	(689.1)
Proceeds from disposal of short-term investments		**739.7**	661.7
Dividends received from associated and joint venture companies		**39.5**	84.0
Dividends received from investments		**8.4**	5.2
Interest received from investments and deposits		**33.7**	42.2
Proceeds from finance leases		**8.1**	9.2
Proceeds from disposal of interest in a subsidiary company, net of cash disposed		**5.3**	–
Investments in associated companies		**(212.0)**	(141.0)
Investments in joint venture companies		**–**	(11.9)
Loan to a joint venture company		**–**	(18.1)
Proceeds from liquidation of an associated company		**–**	5.1
NET CASH USED IN INVESTING ACTIVITIES		**(1,314.3)**	(4,964.8)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	12	**–**	(355.5)
Dividends paid by subsidiary companies to non-controlling interests	12	**(14.3)**	(30.7)
Acquisition of non-controlling interests without a change in control		**(4.1)**	–
Issuance of share capital by subsidiary companies		**–**	1.0
Interest paid		**(232.4)**	(206.0)
Proceeds from issuance of shares and mandatory convertible bonds		**8,829.2**	–
Payment of transaction costs related to shares issued and mandatory convertible bonds		**(9.0)**	–
Repayment of bonds		**(500.0)**	–
Proceeds from issuance of bonds		**2,013.0**	–
Payment of transaction costs from issuance of bonds		**(10.9)**	–
Proceeds from borrowings		**4,579.0**	3,985.2
Repayment of borrowings		**(4,344.1)**	(878.3)
Repayment of lease liabilities		**(551.6)**	(575.9)
Payment of transaction costs related to borrowings		**(17.8)**	(4.2)
NET CASH PROVIDED BY FINANCING ACTIVITIES		**9,737.0**	1,935.6
NET CASH INFLOW/(OUTFLOW)		**5,130.3**	(297.3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**2,685.3**	2,944.0
Effect of exchange rate changes		**(32.6)**	38.6
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		**7,783.0**	2,685.3
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Fixed deposits	34	**5,701.9**	1,283.5
Cash and bank balances	34	**2,081.1**	1,401.8
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		**7,783.0**	2,685.3

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 2021

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 2021 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 and tour wholesaling 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 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 19 May 2021.

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.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will be able to meet its liabilities as and when they fall due. The Group has generated a loss before taxation of $4,957.2 million (FY2019/20: $220.2 million) during the year ended 31 March 2021, however, the Group is in a net current assets position of $3,958.8 million (FY19/20: net current liabilities of $6,159.2 million). In addition, for the period up to July 2021, the Company has the option to raise an additional $6.2 billion of mandatory convertible bonds ("MCBs") (see note 14) and has access to $2,128.0 million of committed undrawn facilities as at 31 March 2021. Together with other measures detailed in note 46, the Group and the Company has taken steps to build up its liquidity so that it is able to continue its operations as a going concern and to meet its liabilities as and when they fall due.

(b) Changes in accounting policies

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

On 1 April 2020, 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 2020. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

(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 2022 onwards 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
Covid-19-related rent concessions (Amendment to IFRS 16)	1 April 2021
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I) 1-28)	To be determined

(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). When the amount is negative, a bargain purchase gain is recognised immediately in the profit and loss account.

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.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

(f) Intangible assets (continued)

(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.

(vi) 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.

(vii) 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary company while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associated or a joint venture company while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

(h) Property, plant and equipment (continued)

(ii) Depreciation of property, plant and equipment (continued)

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 – 20 years	0% to 10% of cost; or market value estimates
Embedded engine overhaul costs	4 – 10 years	Nil
Freighter aircraft	20 – 23 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 5 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.

(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.

ROU asset

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 10 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

(i) Leases (continued)

(i) As a Lessee (continued)

Lease liability

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.

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)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost 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.

(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.

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;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Business model assessment (continued)

- 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(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.

(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.

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, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

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

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.

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 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.

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 interbank offered rates reform for the purpose of asserting that the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. The Group will no longer apply the amendments to its highly probable assessment of the hedged item when the uncertainty arising from interest rate benchmark reform with respect to the timing and 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. To determine whether the designated forecast transaction is no longer 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

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

Designation of hedges (continued)

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 less. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

(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.

(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.

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.

(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.

If an MCB is being redeemed before its maturity date, the difference between any redemption consideration and the carrying amount of the MCBs is 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 and 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.

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.

(t) Revenue

Revenue is principally earned from the carriage of passengers, cargo and mail, engineering services and tour activities, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

(t) Revenue (continued)

(i) Passenger, cargo and mail (continued)

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 also 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

(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.

(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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2 Summary of Significant Accounting Policies (continued)

(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.

(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 22.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 2021 was $16,681.2 million (2020: $18,979.9 million) and $13,677.4 million (2020: $15,550.3 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 2021 was $568.1 million (2020: $2,041.4 million) and $504.4 million (2020: $1,888.3 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 also 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 2021 was $957.8 million (2020: $755.8 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 2021 was $984.5 million (2020: $1,433.0 million) and $647.4 million (2020: $1,015.1 million) respectively. The maintenance and repair costs covered by PBH agreements which were expensed off during the year amounted to $40.0 million (FY2019/20: $56.8 million) for the Group and $29.6 million (FY2019/20: $24.7 million) for the Company.

(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 2021 was $1,223.6 million (2020: $1,309.4 million) and $564.0 million (2020: $578.6 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

3 Significant Accounting Estimates and Critical Judgements (continued)

(g) Hedge effectiveness of fuel derivatives

The Group has applied cash flow hedge accounting for fuel derivative contracts. Due to the expected significant capacity cuts brought about by the Covid-19 pandemic and the consequential reduction of forecasted jet fuel purchases in the ensuing year, a portion of these forecasted jet fuel purchases, for which hedge accounting had been applied previously, are no longer expected to occur. There is a high degree of estimation uncertainty inherent in assessing the duration and severity of the economic downturn caused by the Covid-19 pandemic and the consequent lifting of global travel restrictions. As a result, determining the associated recovery and forecasted future fuel consumption and hence the ability to continue hedge accounting for fuel derivatives requires significant judgement. Please refer to notes 2(k)(vi) and 42(a) for more details.

4 Segment Information (in $ million)

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

(i) The Singapore Airlines segment provides passenger and cargo air transportation under the Singapore Airlines brand with a focus on full-service passenger segment serving short and long haul markets.

(ii) The SilkAir segment provides passenger air transportation under the SilkAir brand with a focus on full-service passenger segment serving regional markets.

(iii) The Budget Aviation segment provides passenger air transportation under the Scoot brand with a focus on the low-cost passenger segment.

(iv) SIAEC segment is in the business of providing 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 FY2020/21 or FY2019/20.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 2021 and 2020 and certain assets and liabilities information of the business segments as at those dates.

FY2020/21	Singapore Airlines	SilkAir	Budget Aviation	SIAEC	Others	Total of segments	Elimination*	Consolidated
TOTAL REVENUE								
External revenue	3,422.1	30.1	125.7	163.4	74.6	3,815.9	–	3,815.9
Inter-segment revenue	28.3	4.8	86.6	279.6	53.6	452.9	(452.9)	–
	3,450.4	34.9	212.3	443.0	128.2	4,268.8	(452.9)	3,815.9
RESULTS								
Segment result	(1,701.7)	(219.8)	(569.7)	(19.0)	(3.9)	(2,514.1)	1.6	(2,512.5)
Finance charges	(242.5)	(10.7)	(68.2)	(2.9)	(0.5)	(324.8)	56.9	(267.9)
Interest income	83.1	2.0	1.6	3.9	0.8	91.4	(56.0)	35.4
Loss on disposal of aircraft, spares and spare engines	(24.4)	(0.2)	(2.4)	–	–	(27.0)	–	(27.0)
Dividends from long-term investments	8.4	–	–	–	–	8.4	–	8.4
Impairment of aircraft	(1,507.4)	(156.2)	(70.7)	–	–	(1,734.3)	–	(1,734.3)
Impairment of base maintenance assets	–	–	–	(36.9)	–	(36.9)	–	(36.9)
Impairment of intangible assets	–	–	–	(11.4)	–	(11.4)	–	(11.4)
Impairment of goodwill	–	–	(170.4)	–	–	(170.4)	–	(170.4)
Other non-operating items	(46.1)	(32.8)	(32.7)	(9.2)	(7.0)	(127.8)	–	(127.8)
Share of (losses)/profits of joint venture companies	(0.2)	–	–	14.2	–	14.0	–	14.0
Share of (losses)/profits of associated companies	(155.4)	–	(0.1)	25.7	–	(129.8)	3.0	(126.8)
Taxation	519.4	75.3	65.6	16.0	(2.5)	673.8	–	673.8
Loss for the financial year	(3,066.8)	(342.4)	(847.0)	(19.6)	(13.1)	(4,288.9)	5.5	(4,283.4)
Attributable to:								
Owners of the Company								(4,270.7)
Non-controlling interests								(12.7)
								(4,283.4)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4 Segment Information (in $ million) (continued)

Business segments (continued)

FY2019/20	Singapore Airlines	SilkAir	Budget Aviation	SIAEC	Others	Total of segments	Elimination*	Consolidated
TOTAL REVENUE								
External revenue	12,918.0	888.2	1,624.8	444.9	100.0	15,975.9	–	15,975.9
Inter-segment revenue	94.7	17.8	55.8	549.2	98.0	815.5	(815.5)	–
	13,012.7	906.0	1,680.6	994.1	198.0	16,791.4	(815.5)	15,975.9
RESULTS								
Segment result	294.2	(112.3)	(197.7)	67.7	9.5	61.4	(2.3)	59.1
Finance charges	(197.3)	(15.1)	(72.4)	(3.8)	(0.3)	(288.9)	68.0	(220.9)
Interest income	91.1	4.3	0.5	10.4	2.0	108.3	(66.2)	42.1
Surplus/(loss) on disposal of aircraft, spares and spare engines	6.8	0.2	(0.1)	–	–	6.9	–	6.9
Dividends from long-term investments	3.1	0.1	–	–	–	3.2	–	3.2
Other non-operating items	(11.0)	(4.1)	(19.1)	2.3	–	(31.9)	–	(31.9)
Share of profits of joint venture companies	1.9	–	–	44.5	–	46.4	–	46.4
Share of (losses)/profits of associated companies	(217.8)	–	(0.2)	83.4	–	(134.6)	9.5	(125.1)
Taxation	6.8	23.1	36.9	(14.0)	(2.0)	50.8	–	50.8
(Loss)/Profit for the financial year	(22.2)	(103.8)	(252.1)	190.5	9.2	(178.4)	9.0	(169.4)
Attributable to:								
Owners of the Company								(212.0)
Non-controlling interests								42.6
								(169.4)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4 Segment Information (in $ million) (continued)

Business segments (continued)

	Singapore Airlines	SilkAir	Budget Aviation	SIAEC	Others	Total of segments	Elimination*	Consolidated
OTHER INFORMATION AS AT 31 MARCH 2021								
Segment assets	30,730.0	1,550.0	4,520.8	1,207.8	289.4	38,298.0	(1,799.9)	36,498.1
Investments in associated and joint venture companies	431.3	–	–	602.0	–	1,033.3	–	1,033.3
Long-term investments	46.6	0.6	–	–	2.7	49.9	–	49.9
Total assets	31,207.9	1,550.6	4,520.8	1,809.8	292.1	39,381.2	(1,799.9)	37,581.3
Segment liabilities	4,683.0	165.0	736.6	169.3	93.2	5,847.1	(2,015.7)	3,831.4
Lease liabilities	2,291.1	56.2	466.6	74.2	11.4	2,899.5	(34.5)	2,865.0
Long-term liabilities	496.3	–	10.1	–	–	506.4	–	506.4
Provisions	730.6	71.7	590.3	1.4	–	1,394.0	–	1,394.0
Defined benefit plans	106.1	0.5	–	–	–	106.6	–	106.6
Borrowings	11,107.1	–	345.6	9.9	9.3	11,471.9	–	11,471.9
Tax liabilities	1,095.7	25.0	(7.5)	10.8	3.9	1,127.9	–	1,127.9
Total liabilities	20,509.9	318.4	2,141.7	265.6	117.8	23,353.4	(2,050.2)	21,303.2
Capital expenditure	2,202.0	20.4	457.2	15.2	0.7	2,695.5	–	2,695.5
Purchase of intangible assets	64.1	0.5	2.0	5.2	2.3	74.1	–	74.1
Depreciation	1,629.7	123.1	269.6	67.8	3.3	2,093.5	(17.6)	2,075.9
Impairment of property, plant and equipment	2.0	–	–	–	–	2.0	–	2.0
Impairment of aircraft	1,507.4	156.2	70.7	–	–	1,734.3	–	1,734.3
Impairment of base maintenance assets	–	–	–	36.9	–	36.9	–	36.9
Impairment of intangible assets	–	–	–	11.4	–	11.4	–	11.4
Impairment of goodwill	–	–	170.4	–	–	170.4	–	170.4
Amortisation of intangible assets	51.6	2.0	3.2	3.4	5.6	65.8	–	65.8
Non-cash items other than depreciation, impairment of property, plant and equipment and amortisation of intangible assets	(29.7)	(7.7)	(7.2)	7.5	1.6	(35.5)	–	(35.5)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4 Segment Information (in $ million) (continued)

Business segments (continued)

	Singapore Airlines	SilkAir	Budget Aviation	SIAEC	Others	Total of segments	Elimination*	Consolidated
OTHER INFORMATION AS AT 31 MARCH 2020								
Segment assets	25,734.2	2,125.1	4,499.1	1,388.9	297.9	34,045.2	(1,406.1)	32,639.1
Investments in associated and joint venture companies	391.7	–	0.2	616.6	–	1,008.5	–	1,008.5
Long-term investments	54.8	0.6	–	–	9.8	65.2	–	65.2
Total assets	26,180.7	2,125.7	4,499.3	2,005.5	307.7	35,118.9	(1,406.1)	33,712.8
Segment liabilities	7,544.3	228.8	705.5	193.7	96.5	8,768.8	(1,319.9)	7,448.9
Lease liabilities	974.3	311.8	613.2	99.2	12.2	2,010.7	(50.1)	1,960.6
Long-term liabilities	1,860.7	–	15.0	–	–	1,875.7	–	1,875.7
Provisions	614.8	211.2	527.8	0.9	–	1,354.7	–	1,354.7
Defined benefit plans	111.9	0.6	–	–	–	112.5	–	112.5
Borrowings	9,411.4	–	394.7	13.2	4.6	9,823.9	–	9,823.9
Tax liabilities	1,331.4	37.3	(6.5)	37.5	4.1	1,403.8	–	1,403.8
Total liabilities	21,848.8	789.7	2,249.7	344.5	117.4	25,350.1	(1,370.0)	23,980.1
Capital expenditure	4,590.5	81.0	390.9	36.8	4.3	5,103.5	–	5,103.5
Purchase of intangible assets	68.6	–	3.4	6.8	12.8	91.6	–	91.6
Depreciation	1,654.7	160.0	261.2	72.8	3.3	2,152.0	(17.8)	2,134.2
Impairment of property, plant and equipment	9.9	–	–	4.3	–	14.2	–	14.2
Amortisation of intangible assets	46.1	1.9	3.4	3.3	2.8	57.5	–	57.5
Non-cash items other than depreciation, impairment of property, plant and equipment and amortisation of intangible assets	89.9	10.2	9.1	12.6	0.1	121.9	–	121.9

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 2021 and 2020.

	By area of original sale	
	FY2020/21	**FY2019/20**
East Asia	**2,253.5**	8,485.1
Europe	**530.1**	2,169.8
South West Pacific	**302.5**	2,114.5
Americas	**120.7**	970.2
West Asia and Africa	**187.6**	1,095.3
Systemwide	**3,394.4**	14,834.9
Non-scheduled services and incidental revenue	**303.2**	764.4
	3,697.6	15,599.3

No single customer contributed to more than 10% of the Group's revenue during the financial years ended 31 March 2021 and 2020.

5 Staff Costs (in $ million)

	The Group	
	FY2020/21	**FY2019/20**
Salary, bonuses and other costs	**978.8**	2,323.3
CPF, other defined contributions and defined benefit expense	**168.5**	219.8
Share-based compensation expense	**13.2**	20.5
	1,160.5	2,563.6

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 $9.0 million for FY2020/21 (FY2019/20: $9.2 million). As this is not material to the total staff costs of the Group for FY2020/21 and FY2019/20, additional disclosures of the defined benefit plans are not shown.

Included in staff costs for FY2020/21 is wage support of $528.6 million (FY2019/20: $242.6 million) from the Singapore Government's enhanced measures under the Stabilisation and Support Package.

Share-based compensation arrangements

As at 31 March 2021, the Group has the following share-based compensation arrangements:

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

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

The RSP 2014 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 FY2020/21 Strategic Share Award ("SSA") under RSP 2014, the award made in July 2020 was based on BCIRC assessment of SIA Management's Covid-19 response to date.

The PSP 2014 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 corporate objectives.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

5 Staff Costs (in $ million) (continued)

Share-based compensation arrangements (continued)

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

Key terms and conditions related to the grants under these programmes are as follows:

Plans	Vesting conditions	Performance conditions^	Payout
RSP	Awards granted in and after FY2016/17 • 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.	At both Company and Group level • EBITDAR# Margin • Value Added per $ Employment Cost	0% - 150%*
	Awards granted in and after FY2020/21 • 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.	At both Company and Group level • FY2020/21 Company Operational Performance Scorecard ("COPS") with operational focus dealing with Covid-19 response and recovery	
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%*
Deferred share award ("DSA")	• Awards cliff vest at the end of three years after the grant date, subject to meeting a three-year service-based condition and provided that individual performance remains satisfactory. • Additional dividend kicker upon final vesting.	None	100%
Transformation share award ("TSA")	• Based on meeting performance conditions over a one-year performance period, 50% of award vests. • Balance vests equally over the subsequent two years with fulfilment of service requirements. • Additional 20% equity kicker of final award upon final vesting.	• Assessment of the success of transformation by BCIRC	0% - 200%**
Strategic share award ("SSA")	• The award was based on BCIRC assessment of Covid-19 response • 50% of the award vests upon grant in July 2020 • Balance vests equally over the subsequent two years with fulfilment of service requirements. • Additional 20% equity kicker of final award upon final vesting.	• None	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.*

EBITDAR denotes Earnings before Interest, Taxes, Depreciation, Amortisation and Rentals on leased aircraft.

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

** *The payout depends on the achievement of pre-set performance targets over the performance period. In respect of the TSA granted in FY2019/20, the BCIRC assessed a NIL payout due to Covid-19 impact.*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 2020/ date of grant	Rights Issue Adjustment*	Adjustment	Cancelled	Vested	Balance at 31 March 2021
RSP 2014						
19.07.2017	358,330	150,229	–	–	(508,559)	–
19.07.2018	504,854	211,701	–	–	(374,207)	342,348
19.07.2019	1,163,200	487,729	(1,032,209)#	–	(219,754)	398,966
16.07.2020	1,664,894	–	–	(3,236)	–	1,661,658
	3,691,278	849,659	(1,032,209)	(3,236)	(1,102,520)	2,402,972
PSP 2014						
19.07.2017	217,426	87,024	(230,750)#	–	(73,700)	–
19.07.2018	285,996	119,924	–	–	–	405,920
19.07.2019	429,000	179,880	–	–	–	608,880
16.07.2020	605,600	–	–	–	–	605,600
	1,538,022	386,828	(230,750)	–	(73,700)	1,620,400
DSA						
06.09.2017	94,070	39,448	9,370 ^	–	(142,888)	–
11.09.2018	119,090	49,932	–	–	–	169,022
	213,160	89,380	9,370	–	(142,888)	169,022
TSA						
19.07.2018	199,900	83,814	–	–	(141,857)	141,857
19.07.2019	455,005	190,784	–	(591,789)	(27,000)	27,000
	654,905	274,598	–	(591,789)	(168,857)	168,857
SSA						
16.07.2020	956,000	–	–	–	(478,000)	478,000
05.02.2021	39,300	–	–	–	–	39,300
	995,300	–	–	–	(478,000)	517,300

* *In light of the rights issue, an adjustment has been made to the outstanding unvested awards under the RSP 2014 and PSP 2014 grants on 6 May 2020 (the Ex-Rights Date) to offset the dilutive effect on the share price due to the rights issue and this was approved by the BCIRC upon confirmation from our auditors that the adjustment was fair and reasonable to shareholders as required under the respective plan rules.*

\# *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 performance period for Accumulated Dividend Yield.*

Since the commencement of the RSP 2014 and PSP 2014 plans in July 2014, 10,305,525 awards have been granted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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:

	FY2020/21		
	RSP 2014	**PSP 2014**	**SSA**
Valuation Method	Monte Carlo Simulation		
Expected dividend paid yield (%)	Management's forecast in line with dividend policy		
Expected volatility (%)	23.74 - 34.91	23.74	26.47 - 34.91
Risk-free interest rate (%)	0.26 - 0.32	0.32	0.26 - 0.27
Expected term (years)	0.96 - 2.96	2.96	0.96 - 1.96
Share price at date of grant ($)	3.72	3.72	3.72
Estimated fair value ($)	3.58 - 3.71	3.20	3.68 - 3.72

	FY2019/20		
	RSP 2014	**PSP 2014**	**TSA**
Valuation Method	Monte Carlo Simulation		
Expected dividend paid yield (%)	Management's forecast in line with dividend policy		
Expected volatility (%)	12.48 - 14.95	13.71	12.48 - 14.95
Risk-free interest rate (%)	1.67 - 1.70	1.69	1.67 - 1.70
Expected term (years)	0.95 - 2.95	2.95	0.95 - 2.95
Share price at date of grant ($)	9.52	9.52	9.52
Estimated fair value ($)	8.61 - 9.22	10.27	8.61 - 9.22

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

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

	The Group	
	FY2020/21	**FY2019/20**
Interest income from short-term investments	**(1.1)**	(1.2)
Dividend income from short-term investments	**(0.1)**	(0.2)
Income from operating lease of aircraft	**(19.2)**	(67.5)
(Surplus)/Loss on disposal of short-term investments	**(2.1)**	0.7
Remuneration for auditors of the Company		
Audit fees	**1.7**	1.8
Non-audit fees	**0.9**	0.4
Bad debts written off	**7.5**	1.4
Impairment of trade debtors	**4.6**	7.5
Writedown of inventories	**12.4**	8.8
Exchange loss, net	**12.2**	75.3
Currency hedging loss/(gain)	**6.2**	(16.1)
Foreign currency hedging ineffectiveness	**12.6**	(30.0)
Fuel hedging loss recognised in “Fuel costs”	**334.2**	130.2
Net (gain)/loss on financial assets mandatorily measured at FVTPL	**(2.6)**	0.5
Expenses relating to short-term leases	**8.7**	62.1
Expenses relating to low value leases	**3.6**	3.5

7 Finance Charges (in $ million)

	The Group	
	FY2020/21	**FY2019/20**
Notes payable	**145.2**	138.6
Bank loans	**109.5**	65.9
Lease liabilities	**63.4**	75.7
Amortisation of transaction costs related to borrowings	**5.4**	1.8
Commitment fees	**3.2**	2.3
Interest paid and capitalised on qualifying assets	**(58.8)**	(63.4)
	267.9	220.9

Borrowing costs on qualifying assets are capitalised using an average interest rate of 2.5% (FY2019/20: 3.0%).

8 Interest Income (in $ million)

	The Group	
	FY2020/21	**FY2019/20**
Interest income from fixed deposits and investments	**34.5**	40.9
Interest income from sub-leasing of ROU assets	**0.9**	1.2
	35.4	42.1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

9 Other Non-Operating Items (in $ million)

	The Group	
	FY2020/21	**FY2019/20**
Headcount rationalisation costs	**(44.7)**	–
Refleeting and restructuring costs	**(30.3)**	(6.5)
Loss on disposal of an associated company	**(25.0)**	–
Provision for liquidation costs relating to NokScoot Airlines Co., Ltd. ("NokScoot")	**(13.1)**	–
(Loss)/Gain on sale and leaseback transactions	**(6.8)**	1.8
(Loss)/Surplus on disposal of other property, plant and equipment	**(4.9)**	2.5
Net (loss)/gain on financial assets mandatorily measured at FVTPL	**(4.9)**	4.7
Provision for expected credit losses on investments and loans and guarantee to a joint venture company	**(1.2)**	(28.3)
Impairment on investment in an associated company	**(0.2)**	–
Impairment of investment in a joint venture company	**(0.1)**	–
Gain on sale of a subsidiary company	**2.0**	–
Write-back of provision/(Provision) for early lease termination	**1.4**	(2.9)
Impairment of long term investments	**–**	(2.4)
Competition-related settlements	**–**	(0.6)
Loss on liquidation of an associated company	**–**	(0.2)
	(127.8)	(31.9)

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 2021 and 2020 are:

	The Group	
	FY2020/21	**FY2019/20**
Current taxation		
Provision for the year	**9.3**	27.1
Under/(Over) provision in respect of prior years	**36.2**	(23.5)
	45.5	3.6
Deferred taxation (refer to note 18)		
Movement in temporary differences	**(692.0)**	(57.8)
(Over)/Under provision in respect of prior years	**(27.3)**	3.4
	(719.3)	(54.4)
	(673.8)	(50.8)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

10 Taxation (in $ million) (continued)

Deferred taxation related to other comprehensive income:

	The Group	
	FY2020/21	**FY2019/20**
Cash flow hedges	**418.1**	(535.0)
Actuarial loss on revaluation of defined benefit plans	**(1.0)**	(0.9)
	417.1	(535.9)

The Group has tax losses and deductible temporary differences (for which no deferred tax asset has been recognised) of approximately $558.2 million (2020: $109.3 million) and $5.1 million (2020: $1.7 million) respectively that are available for offset against future taxable profits of the companies. This is due to the uncertainty of the recoverability of the deferred tax asset.

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

	The Group	
	FY2020/21	**FY2019/20**
Loss before taxation	**(4,957.2)**	(220.2)
Add: Share of losses of associated and joint venture companies	**112.8**	78.7
	(4,844.4)	(141.5)
Taxation at statutory corporate tax rate of 17.0%	**(823.5)**	(24.1)
Adjustments for:		
Income not subject to tax	**(75.4)**	(45.5)
Expenses not deductible for tax purposes	**136.3**	26.1
Higher effective tax rates of other countries	**2.2**	6.2
Over provision in respect of prior years, net	**8.9**	(20.1)
Tax benefits not recognised	**77.2**	8.2
Previously unrecognised tax benefits	**–**	(0.6)
Others	**0.5**	(1.0)
Taxation	**(673.8)**	(50.8)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

11 Loss Per Share

	The Group			
	FY2020/21		FY2019/20	
	Basic	Diluted	Basic	Diluted
Loss attributable to owners of the Company (in $ million)	**(4,270.7)**	**(4,270.7)**	(212.0)	(212.0)
Adjustment for the potential dilution from share-based incentive plans of subsidiary companies (in $ million)	**–**	**–**	–	(0.3)
Adjusted net loss attributable to owners of the Company (in $ million)	**(4,270.7)**	**(4,270.7)**	(212.0)	(212.3)
Weighted average number of ordinary shares in issue (in million)	**3,694.7**	**3,694.7**	1,887.1	1,887.1
Adjustment for dilutive potential ordinary shares (in million)	**–**	**–**	–	–
Weighted average number of ordinary shares in issue used for computing earnings per share (in million)	**3,694.7**	**3,694.7**	1,887.1	1,887.1
Loss per share (cents)	**(115.6)**	**(115.6)**	(11.2)	(11.3)

Basic loss per share is calculated by dividing the 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 loss per share, the loss attributable to owners of the Company is adjusted to take into account the potential dilution from share-based incentive plans of subsidiary companies and the weighted average number of ordinary shares of the Company in issue is adjusted to take into account effects of dilutive 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.

With the completion of the issuance of rights shares and MCBs on 8 June 2020, the comparative figures in FY2019/20 are restated per IAS 33 through retrospective application of a bonus factor to the average weighted number of shares. The bonus factor is derived from the division of fair value per share immediately before the exercise of rights by the theoretical ex-rights fair value.

12 Dividends Paid and Proposed (in $ million)

	The Group and the Company	
	FY2020/21	FY2019/20
The following tax exempt (one-tier) dividends were declared and paid by the Group and Company to the owners of the Company:		
Final dividend of 22.0 cents per share in respect of FY2018/19	**–**	260.7
Interim dividend of 8.0 cents per share in respect of FY2019/20	**–**	94.8
	–	355.5

No dividend was declared, paid or proposed for the financial year ended 31 March 2021.

During the financial year, total dividends of $14.3 million (FY2019/20: $30.7 million) were paid to non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

13 Share Capital (in $ million)

	The Group and the Company			
	Number of shares		Amount	
	2021	2020	2021	2020
Issued and fully paid share capital				
Ordinary shares				
Balance at 1 April	**1,199,851,018**	1,199,851,018	**1,856.1**	1,856.1
Shares issued pursuant to rights issue	**1,777,692,486**	–	**5,324.1**	–
Balance at 31 March	**2,977,543,504**	1,199,851,018	**7,180.2**	1,856.1
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.

During the financial year, the Company issued 1,777,692,486 (FY2019/20: nil) new shares pursuant to the rights issue, raising capital of $5,324.1 million. The equity raised strengthened the Company's balance sheet and built liquidity during a period of significant uncertainty. No shares were issued (FY2019/20: nil) upon vesting of share-based incentive plans during the year.

14 Mandatory Convertible Bonds (in $ million)

	The Group and the Company
	2021
Balance as at 1 April	–
Issued during the year	**3,496.1**
Balance as at 31 March	**3,496.1**

As part of the Company's efforts in proactively building liquidity and strengthening its balance sheet during this period of uncertainty, the Company issued $3,496.1 million of 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

14 Mandatory Convertible Bonds (in $ million) (continued)

The MCBs were issued in the denomination of $1.00 for each MCB, on the basis of 295 MCBs for every 100 existing ordinary shares held by shareholders on 8 June 2020. They will mandatorily convert into ordinary shares of the Company on 8 June 2030. The MCBs shall be convertible on the conversion date only. At the end of the 10-year tenure of the MCBs, 1,304,626,600 ordinary shares will be issued upon mandatory conversion of the MCBs, subject to any prior redemption of the MCBs. 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.

As at 31 March 2021, the Company has the option to issue approximately $6.2 billion of additional MCBs by the next AGM in July 2021. Tembusu Capital Pte Ltd, a wholly-owned subsidiary of Temasek, has provided the Company with an irrevocable undertaking to subscribe to Temasek's pro-rata entitlement to these additional MCBs, and to subscribe to any unsubscribed additional MCBs remaining after the fulfilment of valid applications by other shareholders.

15 Treasury Shares (in $ million)

	The Group and the Company	
	31 March	
	2021	2020
Balance at 1 April	**(156.0)**	(171.5)
Treasury shares reissued pursuant to equity compensation plans:		
- Transferred from share-based compensation reserve	**22.8**	15.5
Balance at 31 March	**(133.2)**	(156.0)

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 (FY2019/20: nil).

The Company reissued 1,965,965 (FY2019/20: 1,463,191) treasury shares pursuant to share-based incentive plans and 186,200 (FY2019/20: 60,900) treasury shares on payment of Directors' remuneration. The number of treasury shares as at 31 March 2021 was 12,570,529 (2020: 14,722,694).

16 Other Reserves (in $ million)

	The Group		The Company	
	31 March		31 March	
	2021	2020	2021	2020
Capital reserve	**(96.8)**	(112.7)	**(871.4)**	(928.8)
Foreign currency translation reserve	**(16.9)**	(5.3)	**–**	–
Share-based compensation reserve	**20.8**	25.7	**17.1**	22.1
Fair value reserve	**(178.6)**	(2,150.9)	**(136.6)**	(1,734.3)
General reserve	**5,634.3**	9,857.2	**6,959.7**	9,803.6
	5,362.8	7,614.0	**5,968.8**	7,162.6

(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 SIA Cargo in FY2018/19, gains or losses on the reissuance of treasury shares and the equity component on convertible bonds.

NOTES TO THE FINANCIAL STATEMENTS

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16 Other Reserves (in $ million) (continued)

(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.

Breakdown of the fair value reserves is as follows:

	The Group		The Company	
	31 March		31 March	
	2021	2020	2021	2020
Derivative financial instruments designated as hedging instruments	**(178.6)**	(2,150.9)	**(136.6)**	(1,734.3)

<u>Fair value changes of derivative financial instruments designated as hedging instruments in cash flow hedges:</u>

	The Group		The Company	
	31 March		31 March	
	2020	2020	2020	2020
Gain/(Loss) on fair value changes	**1,301.7**	(3,235.3)	**1,112.6**	(2,614.2)
Discontinued fuel hedges reclassified to profit or loss, recognised in "Fuel hedging ineffectiveness"	**412.8**	589.1	**259.4**	487.6
Discontinued foreign currency hedges reclassified to profit or loss, recognised in "Other operating expenses"	**(4.4)**	(24.9)	**(2.8)**	(21.2)
Recognised in the carrying values of non-financial assets on occurrence of capital expenditure commitments	**(32.3)**	(27.7)	**(32.3)**	(27.7)
Recognised in the profit and loss account on occurrence of:				
Fuel hedging contracts recognised in "Fuel costs"	**277.4**	108.0	**251.0**	87.1
Foreign currency contracts recognised in "Other operating expenses"	**10.6**	(11.5)	**9.8**	(12.3)
	1,965.8	(2,602.3)	**1,597.7**	(2,100.7)

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

17 Deferred Account (in $ million)

	The Group 31 March 2021	The Group 31 March 2020	The Company 31 March 2021	The Company 31 March 2020
Deferred credit	**57.9**	64.9	**54.8**	63.0
Presented as:				
- Current liabilities	**16.9**	31.6	**13.8**	29.7
- Non-current liabilities	**41.0**	33.3	**41.0**	33.3
	57.9	64.9	**54.8**	63.0

18 Deferred Taxation (in $ million)

	The Group Statement of financial position 31 March 2021	The Group Statement of financial position 31 March 2020	The Group Profit and loss FY2020/21	The Group Profit and loss FY2019/20	The Company Statement of financial position 31 March 2021	The Company Statement of financial position 31 March 2020
The deferred taxation arises as a result of:						
Deferred tax liabilities						
Differences in depreciation	**1,871.2**	2,292.1	**(420.9)**	(1.9)	**1,566.2**	1,862.3
Revaluation to fair value						
- fuel hedging contracts	**34.2**	–	**–**	–	**34.2**	–
- currency hedging contracts	**0.6**	12.4	**–**	–	**0.5**	10.8
- cross currency swap contracts	**2.3**	–	**–**	–	**2.3**	–
- interest rate swap contracts	**18.0**	4.3	**–**	–	**18.0**	4.3
Other temporary differences	**25.5**	21.7	**3.8**	(6.8)	**17.8**	12.2
Gross deferred tax liabilities	**1,951.8**	2,330.5	**(417.1)**	(8.7)	**1,639.0**	1,889.6
Deferred tax assets						
Unabsorbed capital allowances and tax losses	**(206.0)**	(78.6)	**(127.4)**	(77.6)	**(113.3)**	(40.0)
Lease liabilities	**(484.8)**	(315.4)	**(169.4)**	42.2	**(392.9)**	(161.5)
Revaluation to fair value						
- fuel hedging contracts	**(63.1)**	(438.7)	**–**	–	**(59.3)**	(352.3)
- currency hedging contracts	**(0.5)**	(0.9)	**–**	–	**(0.5)**	(0.9)
- cross currency swap contracts	**(0.1)**	(0.5)	**–**	–	**(0.1)**	(0.5)
- interest rate swap contracts	**(18.4)**	(21.7)	**–**	–	**(15.6)**	(18.2)
Other temporary differences	**(146.4)**	(139.4)	**(5.4)**	(10.3)	**(38.4)**	(24.0)
Gross deferred tax assets	**(919.3)**	(995.2)	**(302.2)**	(45.7)	**(620.1)**	(597.4)
Net deferred tax liabilities	**1,032.5**	1,335.3			**1,018.9**	1,292.2
Deferred tax charged to profit and loss			**(719.3)**	(54.4)		
Deferred tax charged to equity	**416.5**	(652.9)			**315.1**	(469.1)

At the end of the reporting period, there was no deferred tax liability (2020: $0.6 million) recognised for taxes that would be payable on the undistributed earnings of one of the Group's overseas subsidiary companies.

For the other subsidiary companies of the Group, no deferred tax liability has been recognised as the Group has determined that undistributed earnings of these subsidiary companies will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognised aggregate to $13.9 million (2020: $11.2 million). The deferred tax liability is estimated to be $4.2 million (2020: $3.4 million).

During the financial year, the Company recognised a deferred tax asset of $20.2 million arising from the integration of SilkAir.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

19 Borrowings (in $ million)

	The Group		The Company	
	31 March		31 March	
	2021	2020	2021	2020
Current Liabilities				
Notes payable	**200.0**	500.0	**200.0**	500.0
Loans	**707.1**	2,161.0	**642.8**	2,101.1
	907.1	2,661.0	**842.8**	2,601.1
Non-current Liabilities				
Notes payable	**4,845.7**	3,877.6	**4,845.7**	3,877.6
Loans	**4,951.4**	3,285.3	**4,650.9**	2,932.7
Convertible bonds	**767.7**	–	**767.7**	–
	10,564.8	7,162.9	**10,264.3**	6,810.3

Notes payable

Notes payable as at 31 March 2021 comprised unsecured notes issued by the Company. The details are set out below.

				31 March 2021		31 March 2020	
Series	Currency	Fixed interest rate per annum	Year of maturity	Face Value	Carrying value	Face Value	Carrying value
SGD10 Billion Multicurrency Medium Term Note Programme							
001	SGD	3.22%	2020	**–**	**–**	500.0	500.0
002	SGD	3.145%	2021	**200.0**	**200.0**	200.0	200.0
003	SGD	3.75%	2024	**300.0**	**300.0**	300.0	300.0
004	SGD	3.13%	2026	**630.0***	**631.8**	630.0*	632.0
005	SGD	3.035%	2025	**700.0**	**699.3**	700.0	699.2
006	SGD	3.13%	2027	**700.0**	**699.1**	700.0	698.9
007	SGD	3.16%	2023	**600.0**	**599.5**	600.0	599.3
008	SGD	3.50%	2030	**500.0**	**499.0**	–	–
009	USD	3.00%	2026	**672.6**	**668.5**	–	–
SGD2 Billion Medium Term Bond Programme							
001	SGD	3.03%	2024	**750.0**	**748.5**	750.0	748.2
				5,052.6	**5,045.7**	4,380.0	4,377.6

* 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

19 Borrowings (in $ million) (continued)

Loans

The Group

Type	Currency	Interest rate per annum	Year of maturity	31 March 2021 Face Value	31 March 2021 Carrying value	31 March 2020 Face Value	31 March 2020 Carrying value
Fixed Rate							
Secured bank loan	SGD	2.86%	2028	**698.3**	**697.0**	780.7	779.0
Secured bank loan	SGD	2.92%	2028	**348.0**	**345.7**	396.0	393.3
Secured bank loan	SGD	2.62%	2029	**738.3**	**736.8**	820.2	818.4
Secured bank loan	SGD	0.34%	2029	**131.3**	**131.0**	146.3	145.9
Secured bank loan	SGD	0.35%	2029	**133.0**	**132.8**	146.6	146.4
Secured bank loan	SGD	2.10%	2030	**300.0**	**299.0**	–	–
Secured bank loan	SGD	2.19%	2030	**300.0**	**298.1**	–	–
Secured bank loan	SGD	2.15%	2032	**291.7**	**289.3**	–	–
Secured bank loan	SGD	2.14%	2030	**150.0**	**148.6**	–	–
Secured bank loan	SGD	2.15%	2032	**300.0**	**297.1**	–	–
Secured bank loan	SGD	1.92%	2030	**286.3**	**283.4**	–	–
Secured bank loan	SGD	1.98%	2030	**150.0**	**148.9**	–	–
Secured bank loan	SGD	2.07%	2030	**150.0**	**149.1**	–	–
Secured bank loan	SGD	2.24%	2031	**150.0**	**149.0**	–	–
Secured bank loan	EUR	0.46%	2029	**138.5**	**138.2**	152.8	152.4
Secured bank loan	EUR	0.65% - 0.68%	2029 - 2030	**843.7**	**841.8**	928.4	926.1
Secured bank loan	JPY	0.41%	2029	**245.2**	**244.5**	294.6	293.8
Unsecured bank loan	SGD	1.14% - 1.19%	2021	**150.0**	**150.0**	–	–
Unsecured bank loan	SGD	0.71% - 1.53%	2021	**–**	**–**	1,400.0	1,400.0
Unsecured bank loan	USD	1.30%	2020	**–**	**–**	170.9	170.9
Unsecured bank loan	EUR	0.38%	2020	**–**	**–**	200.9	200.9
Unsecured bank loan	SGD	2.03% - 2.16%	2020	**–**	**–**	1.5	1.4
Third-party financing	SGD	4.90%	2023 - 2024	**159.1**	**159.1**	–	–
Floating rate							
Unsecured bank loan	USD	1.44%	2022	**9.2**	**9.2**	–	–
Revolving credit facility	USD	2.70%	2021	**0.7**	**0.7**	–	–
Revolving credit facility	SGD	1.41%	2021	**3.0**	**3.0**	–	–
Trust receipt	SGD	1.17%	2021	**6.2**	**6.2**	–	–
Unsecured bank loan	USD	3.20%	2022	**–**	**–**	11.7	11.7
Revolving credit facility	USD	3.20%	2020	**–**	**–**	1.5	1.5
Revolving credit facility	SGD	2.26%	2020	**–**	**–**	3.0	3.0
Trust receipt	SGD	2.37%	2021	**–**	**–**	1.6	1.6
				5,682.5	**5,658.5**	5,456.7	5,446.3

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19 Borrowings (in $ million) (continued)

The Company

Type	Currency	Interest rate per annum	Year of maturity	31 March 2021 Face Value	31 March 2021 Carrying value	31 March 2020 Face Value	31 March 2020 Carrying value
Fixed Rate (Post interest rate and cross currency swaps)							
Secured bank loan	SGD	2.86%	2028	**698.3**	**697.0**	780.7	779.0
Secured bank loan	SGD	2.62%	2029	**738.3**	**736.8**	820.2	818.4
Secured bank loan	SGD	0.34%	2029	**131.3**	**131.0**	146.3	145.9
Secured bank loan	SGD	0.35%	2029	**133.0**	**132.8**	146.6	146.4
Secured bank loan	SGD	2.10%	2030	**300.0**	**299.0**	–	–
Secured bank loan	SGD	2.19%	2030	**300.0**	**298.1**	–	–
Secured bank loan	SGD	2.15%	2032	**291.7**	**289.3**	–	–
Secured bank loan	SGD	2.14%	2030	**150.0**	**148.6**	–	–
Secured bank loan	SGD	2.15%	2032	**300.0**	**297.1**	–	–
Secured bank loan	SGD	1.92%	2030	**286.3**	**283.4**	–	–
Secured bank loan	SGD	1.98%	2030	**150.0**	**148.9**	–	–
Secured bank loan	SGD	2.07%	2030	**150.0**	**149.1**	–	–
Secured bank loan	SGD	2.24%	2031	**150.0**	**149.0**	–	–
Fixed rate							
Secured bank loan	EUR	0.46%	2029	**138.5**	**138.2**	152.8	152.4
Secured bank loan	EUR	0.65% - 0.68%	2029 - 2030	**843.7**	**841.8**	928.4	926.1
Secured bank loan	JPY	0.41%	2029	**245.2**	**244.5**	294.6	293.8
Unsecured bank loan	SGD	1.14% - 1.19%	2021	**150.0**	**150.0**	–	–
Unsecured bank loan	SGD	0.71% - 1.53%	2021	**–**	**–**	1,400.0	1,400.0
Unsecured bank loan	USD	1.30%	2020	**–**	**–**	170.9	170.9
Unsecured bank loan	EUR	0.38%	2020	**–**	**–**	200.9	200.9
Third-party financing	SGD	4.90%	2023 - 2024	**159.1**	**159.1**	–	–
				5,315.4	**5,293.7**	5,041.4	5,033.8

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 2021, the Group and Company had floating rate loans with nominal amounts of $4,976.3 million (2020: $3,678.4 million) and $4,628.3 million (2020: $3,198.4 million) which are hedged with interest rate swaps (refer to note 42(c)).

The Company has negotiated for a third-party financier to finance the pre-delivery payments for certain aircraft. Arising from this arrangement, the Company will make periodic payments to the financier.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

19 Borrowings (in $ million) (continued)

Convertible bonds

	The Group and the Company 2021
Proceeds from issue of convertible bonds	**850.0**
Transaction costs	**(8.5)**
Net proceeds	**841.5**
Amount classified as equity	**(74.3)**
Amortised transaction costs	**0.5**
Balance at 31 March 2021	**767.7**

During the financial year, the Company issued $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 initial conversion price is $5.743 and is subject to adjustments under certain events set out in the Trust Deed for the convertible bonds. 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).

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

20 Other Long-term Liabilities (in $ million)

	The Group 31 March		The Company 31 March	
	2021	2020	2021	2020
Maintenance reserve	**1.8**	28.2	**1.8**	28.2
Promissory notes	**219.8**	–	**219.8**	–
Derivative liabilities (refer to note 42)	**284.8**	1,847.5	**274.7**	1,832.5
	506.4	1,875.7	**496.3**	1,860.7

The promissory notes bear interest of 1.75% per annum with maturity dates ranging from April to July 2022 and are denominated in USD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

21 Provisions (in $ million)

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

An analysis of the provisions is as follows:

	The Group		
	Return costs for leased aircraft	Others	Total
Balance at 1 April 2019	1,035.1	103.1	1,138.2
Effects of adopting IFRS 16	354.6	(35.5)	319.1
Provision during the year	191.3	19.9	211.2
Provision written back during the year	(30.0)	(1.2)	(31.2)
Provision utilised during the year	(241.6)	(41.0)	(282.6)
Balance at 31 March 2020	1,309.4	45.3	1,354.7
Current	343.8	20.2	364.0
Non-current	965.6	25.1	990.7
	1,309.4	45.3	1,354.7
Balance at 1 April 2020	1,309.4	45.3	1,354.7
Provision during the year	196.3	188.8	385.1
Provision written back during the year	(39.5)	(1.4)	(40.9)
Provision utilised during the year	(242.6)	(62.3)	(304.9)
Balance at 31 March 2021	1,223.6	170.4	1,394.0
Current	277.6	151.3	428.9
Non-current	946.0	19.1	965.1
	1,223.6	170.4	1,394.0

	The Company		
	Return costs for leased aircraft	Others	Total
Balance at 1 April 2019	715.1	80.3	795.4
Effects of adopting IFRS 16	–	(25.8)	(25.8)
Provision during the year	64.1	17.5	81.6
Provision utilised during the year	(200.6)	(35.8)	(236.4)
Balance at 31 March 2020	578.6	36.2	614.8
Current	293.1	13.4	306.5
Non-current	285.5	22.8	308.3
	578.6	36.2	614.8
Balance at 1 April 2020	578.6	36.2	614.8
Provision during the year	94.0	186.3	280.3
Provision utilised during the year	(201.7)	(55.9)	(257.6)
Effects of integration of SilkAir	93.1	–	93.1
Balance at 31 March 2021	564.0	166.6	730.6
Current	196.0	147.5	343.5
Non-current	368.0	19.1	387.1
	564.0	166.6	730.6

NOTES TO THE FINANCIAL STATEMENTS

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22 Property, Plant and Equipment (in $ million)

The Group

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2019	18,678.5	583.2	315.5
Effects of adopting IFRS 16	35.5	–	–
Additions	216.6	37.5	19.9
Transfers	5,040.2	3.5	(1.1)
Transfer to assets held for sale	–	(58.8)	–
Disposals	(441.3)	(14.7)	(13.1)
Exchange differences	45.0	0.3	–
At 31 March 2020	23,574.5	551.0	321.2
Additions	132.9	11.2	–
Transfers	1,743.7	0.6	11.3
Transfer to assets held for sale	(525.2)	9.5	–
Disposals	(1,716.5)	(10.5)	–
Disposal of a subsidiary company	–	–	–
Write-off	(5.5)	–	–
Exchange differences	(47.2)	(0.3)	–
At 31 March 2021	23,156.7	561.5	332.5
Accumulated depreciation and impairment losses			
At 1 April 2019	3,183.7	341.0	125.6
Effects of adopting IFRS 16	(5.7)	–	–
Depreciation	1,547.6	23.9	23.2
Impairment losses	–	14.2	–
Transfers	–	–	–
Transfer to assets held for sale	–	(42.7)	–
Disposals	(131.0)	(8.3)	(9.9)
Exchange differences	–	0.2	–
At 31 March 2020	4,594.6	328.3	138.9
Depreciation	1,572.5	19.0	23.8
Impairment losses	997.5	12.5	8.9
Transfers	(8.7)	–	8.7
Transfer to assets held for sale	(435.6)	6.7	–
Disposals	(239.3)	(5.3)	–
Disposal of a subsidiary company	–	–	–
Write-off	(5.5)	–	–
Exchange differences	–	(0.3)	–
At 31 March 2021	6,475.5	360.9	180.3
Net book value			
At 31 March 2020	18,979.9	222.7	182.3
At 31 March 2021	16,681.2	200.6	152.2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
15.7	135.4	633.0	696.8	324.5	5,828.3	27,210.9
–	–	–	–	–	61.6	97.1
–	–	0.9	16.6	14.8	4,905.5	5,211.8
–	–	(0.1)	58.4	13.6	(5,114.5)	–
–	–	–	–	–	–	(58.8)
–	–	(2.3)	(45.9)	(6.0)	(0.1)	(523.4)
–	–	2.3	2.8	0.2	0.1	50.7
15.7	135.4	633.8	728.7	347.1	5,680.9	31,988.3
–	–	0.4	12.5	4.5	2,693.5	2,855.0
–	–	–	69.6	18.0	(1,843.2)	–
–	–	–	–	–	–	(515.7)
–	–	(0.3)	(32.7)	(5.3)	–	(1,765.3)
–	–	(0.5)	(14.1)	(2.3)	–	(16.9)
–	–	–	–	(2.4)	(75.5)	(83.4)
–	–	(2.7)	(2.2)	0.2	–	(52.2)
15.7	135.4	630.7	761.8	359.8	6,455.7	32,409.8
–	124.5	489.4	495.2	275.2	–	5,034.6
–	–	–	–	–	–	(5.7)
–	2.9	12.0	69.2	22.5	–	1,701.3
–	–	–	–	–	–	14.2
–	–	(0.1)	–	0.1	–	–
–	–	–	–	–	–	(42.7)
–	–	(2.2)	(44.9)	(5.9)	–	(202.2)
–	–	0.6	2.0	0.2	–	3.0
–	127.4	499.7	521.5	292.1	–	6,502.5
–	2.9	10.8	65.6	22.6	–	1,717.2
–	–	22.3	12.6	–	388.2	1,442.0
–	–	–	–	–	–	–
–	–	–	–	–	–	(428.9)
–	–	(0.2)	(32.5)	(5.1)	–	(282.4)
–	–	(0.3)	(11.3)	(2.0)	–	(13.6)
–	–	–	–	(2.3)	–	(7.8)
–	–	(0.7)	(1.7)	0.2	–	(2.5)
–	130.3	531.6	554.2	305.5	388.2	8,926.5
15.7	8.0	134.1	207.2	55.0	5,680.9	25,485.8
15.7	5.1	99.1	207.6	54.3	6,067.5	23,483.3

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

The Company

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2019	14,444.1	404.2	118.7
Additions	214.3	27.5	19.9
Transfers	4,575.1	–	(14.9)
Disposals	(305.7)	(9.7)	(13.1)
Exchange differences	26.7	–	–
At 31 March 2020	18,954.5	422.0	110.6
Additions	132.7	7.9	–
Transfers	1,582.2	–	–
Transfer to assets held for sale	(282.1)	–	–
Effects of integration of SilkAir	53.9	–	–
Disposals	(1,605.2)	(8.8)	–
Exchange differences	(26.8)	–	–
At 31 March 2021	18,809.2	421.1	110.6
Accumulated depreciation and impairment losses			
At 1 April 2019	2,209.8	223.6	26.7
Depreciation	1,307.0	12.5	15.0
Impairment losses	–	9.9	–
Disposals	(112.6)	(4.7)	(9.9)
At 31 March 2020	3,404.2	241.3	31.8
Depreciation	1,335.4	11.8	15.6
Impairment losses	773.7	10.4	–
Transfer to assets held for sale	(256.9)	–	–
Effects of integration of SilkAir	21.8	–	–
Disposals	(146.4)	(3.8)	–
At 31 March 2021	5,131.8	259.7	47.4
Net book value			
At 31 March 2020	15,550.3	180.7	78.8
At 31 March 2021	13,677.4	161.4	63.2

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
15.7	135.4	332.3	358.6	238.1	4,599.9	20,647.0
–	–	–	2.5	13.1	4,362.5	4,639.8
–	–	–	47.8	8.5	(4,616.5)	–
–	–	(2.2)	(30.1)	(4.6)	(50.5)	(415.9)
–	–	–	–	–	–	26.7
15.7	135.4	330.1	378.8	255.1	4,295.4	24,897.6
–	–	–	3.5	3.4	2,253.7	2,401.2
–	–	–	68.6	13.2	(1,664.0)	–
–	–	–	–	–	–	(282.1)
–	–	–	–	–	482.4	536.3
–	–	–	(25.6)	(3.7)	(67.5)	(1,710.8)
–	–	–	–	–	–	(26.8)
15.7	135.4	330.1	425.3	268.0	5,300.0	25,815.4
–	124.5	319.8	221.3	209.8	–	3,335.5
–	2.9	1.8	48.0	13.3	–	1,400.5
–	–	–	–	–	–	9.9
–	–	(2.0)	(30.1)	(4.6)	–	(163.9)
–	127.4	319.6	239.2	218.5	–	4,582.0
–	2.9	1.8	45.8	14.4	–	1,427.7
–	–	–	–	–	388.2	1,172.3
–	–	–	–	–	–	(256.9)
–	–	–	–	–	–	21.8
–	–	–	(25.7)	(3.7)	–	(179.6)
–	130.3	321.4	259.3	229.2	388.2	6,767.3
15.7	8.0	10.5	139.6	36.6	4,295.4	20,315.6
15.7	5.1	8.7	166.0	38.8	4,911.8	19,048.1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

Assets leased out as operating leases

	The Group and the Company 31 March	
	2021	**2020**
Net book value of property, plant and equipment leased out as operating leases:		
- aircraft	–	83.1
	–	83.1

Assets held as security

The Company's aircraft with carrying amount of $5,510.8 million (2020: $3,282.5 million) are pledged as security to the banks.

Scoot Tigerair Pte. Ltd.'s aircraft with carrying amount of $432.2 million (2020: $442.0 million) are pledged as security to the banks.

SilkAir's spare engines with carrying amounts of $10.2 million (2020: $11.1 million) are pledged as security for the amounts owed to the original equipment manufacturer and service credits issued to SilkAir.

Impairment of aircraft

During FY2020/21, the Group reviewed the potential shape and size of its overall network to determine the resultant fleet size and mix needed for future operations. As a result, the Group removed from the operating fleet and FSC and LCC CGUs 45 surplus older generation aircraft and recorded an impairment loss of $1,734.3 million to write down the aircraft to their estimated recoverable values. Included as part of the amount are the impairments related to owned and leased aircraft, spare engines, spares and inventories, write-off of advanced progress payments for engine overhauls, and additional de-lease costs and other related costs which arose from the impairment review exercise.

The surplus aircraft comprised seven A380s, 11 777-200/200ERs, four 777-300s, four 777-300ERs, nine A320s, two A319s, and eight 737-800NGs.

The breakdown of the impairment loss is as follows:

	The Group
Property, plant and equipment	1,405.0
ROU assets (see note 23)	149.8
Inventories	45.1
Provisions	137.2
Others	(2.8)
	1,734.3

Impairment of aircraft spares

In FY2020/21, the carrying amounts of the aircraft spares exceeded the recoverable amounts and the Group recognised an impairment loss of $2.0 million (FY2019/20: $14.2 million) on its aircraft spares.

Impairment of base maintenance assets

Demand for hangar checks has declined significantly due to low flight hours and grounding of aircraft, and is expected to remain weak in the short to medium term. As a result, the Group recognised an impairment loss on base maintenance assets of $36.9 million, comprising $35.0 million of property, plant and equipment and $1.9 million of assets held for sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

Impairment test

In light of the Covid-19 pandemic and its detrimental effect on the travel industry caused by global travel restrictions and border controls, the Group's significant reduction in its capacity has led to a deterioration to its profits and cash flows. Management has determined that this event is an indicator that the Property, Plant and Equipment and Intangible Assets may be impaired. Management's impairment test included the following CGUs:

Full Service Carrier ("FSC") CGU

The recoverable amount of the FSC 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 (2020: 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 post-tax discount rate applied to cash flow projections is 7.0% (2020: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period (2020: five-year period) is 4.0% (2020: 4.5%).

Low-Cost Carrier ("LCC") CGU

The recoverable amount of the 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 (2020: six-year period). The financial forecasts which were approved include Management's planned recovery from Covid-19 related global travel restrictions and border controls. The post-tax discount rate applied to cash flow projections is 7.0% (2020: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period (2020: six-year period) is 5.1% (2020: 5.5%).

Sensitivity Analysis

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

Yield – The forecast yield is 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.

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.

Assets held for sale

During the current financial year, certain aircraft were classified as held for sale as the Group had decided to sell the aircraft following the review of the fleet plan. In the prior year, certain aircraft spares were classified as held for sale as the Group had decided to sell these aircraft spares following the cessation of certain inventory management contracts. The sale of the aircraft and spares is expected to be completed within one year.

	The Group
Balance as at 1 April 2019	–
Reclassification from property, plant and equipment	16.1
Disposal during the year	(1.9)
Balance as at 31 March 2020	14.2
Reclassification from property, plant and equipment	86.8
Impairment losses	(1.9)
Disposal during the year	(0.5)
Balance as at 31 March 2021	98.6

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

23 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 2019	1,524.1	26.4	152.7	3.1	0.2	1,706.5
Additions	106.8	–	99.0	0.6	0.1	206.5
Reassessment and modifications	3.8	(0.1)	(6.1)	–	–	(2.4)
Depreciation	(357.1)	(8.8)	(65.8)	(1.1)	(0.1)	(432.9)
At 31 March 2020	1,277.6	17.5	179.8	2.6	0.2	1,477.7
Additions	1,156.5	275.0	27.7	0.5	–	1,459.7
Reassessment and modifications	(8.7)	(11.1)	(13.2)	(0.1)	–	(33.1)
Disposal of a subsidary company	–	–	(0.1)	–	–	(0.1)
Depreciation	(290.5)	(7.3)	(59.7)	(1.1)	(0.1)	(358.7)
Impairment	(149.8)	–	–	–	–	(149.8)
At 31 March 2021	1,985.1	274.1	134.5	1.9	0.1	2,395.7

The Company

	Aircraft	Aircraft spare engines	Leasehold land and buildings	Plant and equipment	Total
At 1 April 2019	802.2	24.5	109.4	–	936.1
Additions	–	–	68.2	0.4	68.6
Reassessment and modifications	–	–	(4.9)	–	(4.9)
Depreciation	(194.8)	(7.6)	(51.7)	(0.1)	(254.2)
Novation from a subsidiary company	–	–	0.1	–	0.1
At 31 March 2020	607.4	16.9	121.1	0.3	745.7
Additions	1,156.5	275.0	21.2	0.4	1,453.1
Reassessment and modifications	(8.8)	(11.0)	(10.7)	–	(30.5)
Depreciation	(150.7)	(6.9)	(44.1)	(0.3)	(202.0)
Impairment	(129.7)	–	–	–	(129.7)
Effects of integration of SilkAir	147.1	–	–	–	147.1
At 31 March 2021	1,621.8	274.0	87.5	0.4	1,983.7

Impairment testing of ROU assets

In FY2020/21, the Group recognised an impairment loss of $149.8 million (FY2019/20: nil) on its leased aircraft which are considered surplus to operations.

Please refer to note 22 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 financial year, SilkAir novated certain aircraft leases to the Company, as part of the integration. The lease liabilities related to these novated leases amounted to $175.2 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

24 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 2019	184.4	75.9	25.0	682.6	40.4	25.6	1,033.9
Additions	–	–	–	45.3	3.1	43.2	91.6
Disposals	–	–	–	(7.8)	–	–	(7.8)
Transfers	–	–	–	25.0	–	(25.0)	–
Exchange differences	–	–	–	0.1	2.3	–	2.4
At 31 March 2020	184.4	75.9	25.0	745.2	45.8	43.8	1,120.1
Additions	–	–	–	2.5	0.3	71.3	74.1
Disposals	–	–	–	(0.7)	(0.5)	(5.7)	(6.9)
Disposal of a subsidiary company	–	–	–	(0.4)	–	–	(0.4)
Transfers	–	–	–	74.6	–	(74.6)	–
Write-off	–	–	–	(13.5)	–	(0.7)	(14.2)
Exchange differences	–	–	–	(0.1)	(0.2)	–	(0.3)
At 31 March 2021	184.4	75.9	25.0	807.6	45.4	34.1	1,172.4
Accumulated amortisation and impairment losses							
At 1 April 2019	–	75.9	25.0	476.3	5.4	–	582.6
Amortisation	–	–	–	55.9	1.6	–	57.5
Disposals	–	–	–	(7.8)	–	–	(7.8)
Exchange differences	–	–	–	0.1	0.7	–	0.8
At 31 March 2020	–	75.9	25.0	524.5	7.7	–	633.1
Amortisation	–	–	–	64.2	1.6	–	65.8
Disposals	–	–	–	(0.5)	–	–	(0.5)
Disposal of a subsidiary company	–	–	–	(0.3)	–	–	(0.3)
Impairment losses	170.4	–	–	–	11.4	–	181.8
Write-off	–	–	–	(11.1)	–	–	(11.1)
Exchange differences	–	–	–	(0.1)	2.6	–	2.5
At 31 March 2021	170.4	75.9	25.0	576.7	23.3	–	871.3
Net book value							
At 31 March 2020	184.4	–	–	220.7	38.1	43.8	487.0
At 31 March 2021	14.0	–	–	230.9	22.1	34.1	301.1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

24 Intangible Assets (in $ million) (continued)

The Company

	Computer software and others	Advance and progress payments	Total
Cost			
At 1 April 2019	577.6	11.1	588.7
Additions	31.2	37.4	68.6
Disposals	(6.9)	–	(6.9)
Transfers	17.1	(17.1)	–
At 31 March 2020	619.0	31.4	650.4
Additions	–	64.1	64.1
Transfers	68.5	(68.5)	–
At 31 March 2021	687.5	27.0	714.5
Accumulated amortisation			
At 1 April 2019	394.6	–	394.6
Amortisation	46.1	–	46.1
Disposals	(6.9)	–	(6.9)
At 31 March 2020	433.8	–	433.8
Amortisation	51.6	–	51.6
At 31 March 2021	485.4	–	485.4
Net book value			
At 31 March 2020	185.2	31.4	216.6
At 31 March 2021	202.1	27.0	229.1

Impairment testing of goodwill

The goodwill acquired through the acquisition of Tiger Airways Holdings Pte. Ltd. has an indefinite useful life and is included in the LCC CGU. During the financial year, the Group recognised an impairment loss of $170.4 million on its goodwill. Given that the airlines are operating in an environment dominated by the challenges brought about by the Covid-19 pandemic, both the pace and nature of recovery are subject to an unusual level of uncertainty. Under certain sets of financial assumptions reflecting more pessimistic future scenarios, the value of the goodwill could no longer be supported.

Please refer to note 22 for the impairment assessment of the LCC CGU.

Impairment of deferred engine development cost

During the financial year, the Group recorded an impairment loss of $11.4 million on the deferred engine development cost, following suspension of one of the aircraft engine development projects.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

25 Subsidiary Companies (in $ million)

	The Company 31 March	
	2021	**2020**
Investment in subsidiary companies	**3,426.6**	3,417.9
Accumulated impairment losses	**(52.7)**	(52.7)
Effects of integration of SIA Cargo	**(1,405.0)**	(1,405.0)
	1,968.9	1,960.2
Long-term loans to subsidiary companies	**3,655.3**	2,224.5
Amount owing by a subsidiary company	**284.0**	598.5
Accumulated impairment loss	**(27.6)**	(13.3)
	5,880.6	4,769.9

During the financial year:

1. The Company injected approximately $8.7 million in Encounters Pte. Ltd.

2. SIAEC divested its entire 51% shareholdings in Aviation Partnership (Philippines) Corporation ("APPC"). A gain on disposal of $2.0 million was recorded in the profit or loss and APPC ceased to be a subsidiary company. The Group received a cash consideration of $5.3 million, net of cash disposed.

3. SIAEC invested approximately $0.7 million in SIA Engineering Japan Corporation.

4. SIAEC invested approximately $0.5 million in NexGen Network (1) Holding Pte. Ltd.

5. SIAEC acquired an additional 35% interest in SIA Engineering (Philippines) Corporation ("SEPC") for a cash consideration of $11.5 million. Consequently, SEPC became a wholly-owned subsidiary company of SIAEC.

6. SIAEC completed the restructuring of one of its subsidiary companies, Heavy Maintenance Singapore Services Pte. Ltd. ("HMSS"). As part of the restructuring, SIAEC acquired an additional 35% interest in HMSS at a nominal consideration of $1 and received a cash compensation of $7.4 million from a non-controlling shareholder for terminating the shareholders' agreement. Consequently, HMSS became a wholly-owned subsidiary and the operations of HMSS were integrated into SIAEC with the transfer of staff, facilities and assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

25 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 2021	2020
SIA Engineering Company Limited[1] and its subsidiaries	Engineering services	Singapore	**77.6**	77.7
NexGen Network (1) Holding Pte. Ltd.[1]	Investment holding	Singapore	**77.6**	77.7
NexGen Network (2) Holding Pte. Ltd.[1]	Investment holding	Singapore	**77.6**	77.7
SIAEC Global Private Limited[1]	Investment holding	Singapore	**77.6**	77.7
SIA Engineering (USA), Inc.[4]	Provide aircraft maintenance services, including technical and non-technical handling at the airport	United States of America	**77.6**	77.7
SIA Engineering Japan Corporation[5]	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Japan	**77.6**	77.7
Singapore Aero Support Services Pte. Ltd.[1]	Maintenance, repair and overhaul of aircraft and cabin components/systems	Singapore	**77.6**	77.7
Heavy Maintenance Singapore Services Pte. Ltd.[1]	Provide airframe maintenance component overhaul services	Singapore	**77.6**	50.5
SIA Engineering (Philippines) Corporation[2]	Provide airframe maintenance component overhaul services	Philippines	**77.6**	50.5
Additive Flight Solutions Pte. Ltd.[1]*	Additive manufacturing of aircraft cabin parts and tooling for the aerospace industry	Singapore	**46.5**	46.6
Aerospace Component Engineering Services Pte. Limited[1]*	Repair and overhaul of hydro-mechanical equipment for Boeing and Airbus aircraft	Singapore	**39.6**	39.6
Aviation Partnership (Philippines) Corporation[2]*	Provide aircraft maintenance services including technical and non-technical handling at the airport	Philippines	**–**	39.6
Budget Aviation Holdings Pte. Ltd.[1] and its subsidiaries	Investment holding	Singapore	**100.0**	100.0
Tiger Airways Holdings Pte. Ltd.[1]	Investment holding	Singapore	**100.0**	100.0
Scoot Tigerair Pte. Ltd.[1]	Air transportation	Singapore	**100.0**	100.0
Roar Aviation Pte. Ltd.[1]	Investment holding	Singapore	**100.0**	100.0
Simple Holidays Pte. Ltd.[1]	Reservation service activities	Singapore	**100.0**	100.0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

25 Subsidiary Companies (in $ million) (continued)

(a) Composition of the Group (continued)

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 31 March 2021	2020
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
Encounters Pte. Ltd.[1]	Travel booking and related services through an online portal	Singapore	**100.0**	100.0
SilkAir (Singapore) Private Limited[1]	Air transportation	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 in the current financial 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.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

25 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	
	2021	**2020**
Proportion of ownership interest held by NCI	**22.4%**	22.3%
(Loss)/Profit allocated to NCI during the reporting period	**(10.8)**	40.0
Accumulated NCI at the end of reporting period	**354.4**	396.1
Dividends paid to NCI	**12.9**	28.8

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

Summarised financial information before intercompany eliminations of the subsidiary company with material NCI are as follows:

Summarised statement of financial position

	SIA Engineering Company Group of Companies 31 March	
	2021	**2020**
Current		
Assets	**926.0**	998.1
Liabilities	**(209.1)**	(240.8)
Net current assets	**716.9**	757.3
Non-current		
Assets	**883.8**	1,007.4
Liabilities	**(56.5)**	(103.7)
Net non-current assets	**827.3**	903.7
Net assets	**1,544.2**	1,661.0

Summarised statement of comprehensive income

	SIA Engineering Company Group of Companies	
	FY2020/21	**FY2019/20**
Revenue	**443.0**	994.1
Profit before tax	**(35.6)**	204.5
Taxation	**16.0**	(14.0)
Profit after tax	**(19.6)**	190.5
Other comprehensive income	**(34.4)**	27.0
Total comprehensive income	**(54.0)**	217.5

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25 Subsidiary Companies (in $ million) (continued)

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

Other summarised information

	SIA Engineering Company Group of Companies	
	FY2020/21	**FY2019/20**
Net cash flow from operations	**165.8**	91.1
Acquisition of significant property, plant and equipment	**(15.2)**	(36.8)

26 Associated Companies (in $ million)

	The Group 31 March		The Company 31 March	
	2021	**2020**	**2021**	**2020**
Investment in associated companies	**845.2**	828.9	**773.5**	905.3
Accumulated impairment losses	**(12.1)**	(11.9)	**(441.2)**	(785.0)
	833.1	817.0	**332.3**	120.3

During the financial year:

1. The Company injected $212.0 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. The Group's shares in VAH have been transferred to Bain Capital or its nominee for nil consideration. Pursuant to the transfer, the Group recognised a loss on disposal of $25.0 million due to realisation of reserves largely from foreign currency translation losses which had been recognised in other comprehensive income in previous financial periods.

3. Ritz-Carlton, Millenia Singapore Properties Private Limited recorded a revaluation loss of $14.6 million from its annual revaluation exercise of its land and building. The Group's share of the revaluation loss of $2.9 million as at 31 March 2021 is included under the share of post-acquisition capital reserve.

4. SIAEC made a provision for impairment of $0.2 million for Line Maintenance Partnership (Thailand) Company Limited, following its registration for dissolution during the year.

The associated companies are:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 31 March	
			2021	**2020**
Held by the Company				
TATA SIA Airlines Limited[5]	Domestic and international full service scheduled passenger airlines services	India	**49.0**	49.0
Airbus Asia Training Centre Pte. Ltd.[6][c]	Flight training services	Singapore	**45.0**	45.0
Virgin Australia Holdings Limited[2][a]	Air transportation	Australia	**–**	20.0
Ritz-Calton, Millenia Singapore Properties Private Limited[6][c]	Hotel ownership and management	Singapore	**20.0**	20.0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26 Associated Companies (in $ million) (continued)

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 31 March 2021	2020
Held by SIAEC				
Boeing Asia Pacific Aviation Services Pte. Ltd.(4)(c)	Provide engineering, material management and fleet support solutions	Singapore	**38.0**	38.1
Eagle Services Asia Private Limited(3)(c)	Repair and overhaul of aircraft engines	Singapore	**38.0**	38.1
Fuel Accessory Service Technologies Pte Ltd(3)(b)	Repair and overhaul of engine fuel components and accessories	Singapore	**38.0**	38.1
GE Aviation, Overhaul Services – Singapore Pte. Ltd(13)(c)	Repair and servicing of aircraft and spacecraft (including aircraft engines and other parts)	Singapore	**38.0**	38.1
Line Maintenance Partnership (Thailand) Company Limited(13)(c)	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Thailand	**38.0**	38.1
Moog Aircraft Services Asia Pte. Ltd.(6)	Repair and overhaul services for flight control systems	Singapore	**38.0**	38.1
PT JAS Aero-Engineering Services(9)(c)	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Indonesia	**38.0**	38.1
Southern Airports Aircraft Maintenance Services Company Limited(5)(c)	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Vietnam	**38.0**	38.1
Component Aerospace Singapore Pte. Ltd.(3)(b)	Repair and overhaul of aircraft engine combustion chambers, guides, fuel nozzles and related parts	Singapore	**36.0**	36.1
JAMCO Aero Design & Engineering Private Limited(12)	Providing turnkey solutions for aircraft interior modifications	Singapore	**34.9**	35.0
Panasonic Avionic Services Singapore Pte. Ltd.(1)	Provide line maintenance and repair services of in-flight entertainment systems	Singapore	**33.0**	33.0
Goodrich Aerostructures Service Centre-Asia Pte. Ltd.(3)(c)	Repair and overhaul of aircraft nacelles, thrust reserves and pylons	Singapore	**31.0**	31.1
Pan Asia Pacific Aviation Services Limited(8)	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Hong Kong	**31.0**	31.1
Safran Electronics & Defense Services Asia Pte. Ltd.(10)(c)	Provide avionics maintenance, repair and overhaul services	Singapore	**31.0**	31.1
Safran Landing Systems Services Singapore Pte. Ltd.(10)(c)	Repair and overhaul of Boeing and Airbus series landing gears	Singapore	**31.0**	31.1
Asian Surface Technologies Pte Ltd(7)(c)	Repair and overhaul of aircraft engine fan blades	Singapore	**30.4**	30.5
Turbine Coating Services Pte Ltd(3)(b)*	Repair and overhaul of aircraft engine turbine airfoils	Singapore	**19.0**	19.0
Held by Scoot Tigerair				
Air Black Box Asia Pacific Pte. Ltd.(11)(c)**	Provision of support services to air transportation	Singapore	**13.0**	13.0

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26 Associated Companies (in $ million) (continued)

(1) *Audited by KPMG LLP, Singapore*
(2) *Audited by member firms of KPMG International*
(3) *Audited by PricewaterhouseCoopers LLP, Singapore*
(4) *Audited by Deloitte & Touche, Singapore*
(5) *Audited by member firms of Deloitte & Touche*
(6) *Audited by Ernst & Young LLP, Singapore*
(7) *Audited by RSM Chio Lim, Singapore*
(8) *Audited by BDO Limited, Hong Kong*
(9) *Audited by Ernst & Young LLP, Indonesia*
(10) *Audited by Mazars LLP, Singapore*
(11) *Audited by Wong, Lee & Associates LLP*
(12) *Audited by Grant Thornton LLP, Singapore*
(13) *Not required to be audited in the current financial year*
(a) *Financial year end 30 June*
(b) *Financial year end 30 November*
(c) *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	
	2021	2020
TATA-SIA	**137.8**	77.8
Eagle Services Asia Private Limited ("ESA")	**224.5**	228.4
Other associated companies	**470.8**	510.8
	833.1	817.0

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

The Group has two (2020: three) 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, modified for fair value adjustments on acquisitions and differences in the Group's accounting policies.

Summarised statement of financial position

	TATA-SIA		ESA	
	31 March		31 March	
	2021	2020	2021	2020
Current assets	**379.6**	225.9	**732.8**	657.5
Non-current assets	**2,062.0**	1,638.6	**148.4**	162.2
Total assets	**2,441.6**	1,864.5	**881.2**	819.7
Current liabilities	**(248.9)**	(191.4)	**(394.4)**	(331.3)
Non-current liabilities	**(1,911.5)**	(1,514.3)	**(28.6)**	(22.2)
Total liabilities	**(2,160.4)**	(1,705.7)	**(423.0)**	(353.5)
Net assets	**281.2**	158.8	**458.2**	466.2
Share of net assets	**137.8**	77.8	**224.5**	228.4

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26 Associated Companies (in $ million) (continued)

Summarised statement of comprehensive income

	TATA-SIA		ESA	
	FY2020/21	FY2019/20	FY2020/21	FY2019/20
(Loss)/Profit after tax	**(305.7)**	(349.0)	**18.0**	86.1
Total comprehensive income	**(305.7)**	(349.0)	**18.0**	86.1

No dividends (FY2019/20: $13.3 million) were received from 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	
	FY2020/21	FY2019/20
Profit after tax	**14.2**	60.2
Other comprehensive income	**(2.9)**	13.1
Total comprehensive income	**11.3**	73.3

27 Joint Venture Companies (in $ million)

	The Group 31 March		The Company 31 March	
	2021	2020	2021	2020
Investment in joint venture companies	**200.2**	191.5	**32.3**	32.3

During the financial year, NokScoot entered into liquidation on 26 June 2020. The cost of investment was written down to zero in the previous financial year.

The joint venture companies are:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 31 March 2021	2020
Held by SIAEC				
Singapore Aero Engine Services Pte Ltd (1)	Repair and overhaul of aircraft engines	Singapore	**38.8**	38.9
Held by Scoot Tigerair				
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.*

(3) *Audited by PricewaterhouseCoopers LLP, Singapore, and financial year end of 31 March.*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

27 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	
	2021	2020
Singapore Aero Engine Services Pte Ltd ("SAESL")	**170.2**	159.2
Other joint venture companies	**30.0**	32.3
	200.2	191.5

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

Dividends of approximately $2.9 million (FY2019/20: $38.4 million) 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	
	2021	2020
Cash and short-term deposits	**24.5**	23.4
Other current assets	**721.9**	957.0
Total current assets	**746.4**	980.4
Non-current assets	**292.4**	325.0
Total assets	**1,038.8**	1,305.4
Current liabilities	**(585.4)**	(680.8)
Non-current liabilities	**(113.0)**	(306.2)
Total liabilities	**(698.4)**	(987.0)
Net assets	**340.4**	318.4

Summarised statement of comprehensive income

	SAESL	
	FY2020/21	FY2019/20
Revenue	**1,677.9**	2,914.5
Depreciation and amortisation	**(37.6)**	(30.6)
Interest income	**0.1**	0.1
Interest expense	**(7.1)**	(10.3)
Profit before tax	**33.6**	94.9
Taxation	**(5.3)**	(5.8)
Profit after tax	**28.3**	89.1
Other comprehensive income	**18.2**	(19.7)
Total comprehensive income	**46.5**	69.4

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

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	
	2021	**2020**
Current assets	**3.8**	50.7
Non-current assets	**32.2**	103.3
Total assets	**36.0**	154.0
Current liabilities	**(1.1)**	(98.8)
Non-current liabilities	**(4.9)**	(76.5)
Total liabilities	**(6.0)**	(175.3)
Net assets/(liabilities)	**30.0**	(21.3)

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

	The Group	
	FY2020/21	**FY2019/20**
(Loss)/Profit after tax	**(0.2)**	1.8
Other comprehensive income	**(2.0)**	1.6
Total comprehensive income	**(2.2)**	3.4

In the previous financial year, the Group did not recognise losses totalling $53.6 million in relation to its interests in one of its joint venture companies because the Group has no obligation in respect of these losses. The joint venture company entered into liquidation during the financial year.

28 Long-Term Investments (in $ million)

	The Group 31 March		The Company 31 March	
	2021	**2020**	**2021**	**2020**
Quoted				
Non-equity investments	**2.5**	17.6	**2.5**	17.6
Unquoted				
Equity investments	**47.4**	47.6	**44.1**	37.2
	49.9	65.2	**46.6**	54.8

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

The interest rates for quoted non-equity investments range from 3.08% to 3.22% (FY2019/20: 3.08% to 3.25%) per annum.

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29 Other Long-Term Assets (in $ million)

	The Group 31 March		The Company 31 March	
	2021	2020	2021	2020
Deposits	**108.6**	119.8	**–**	–
Prepayment	**8.7**	10.6	**–**	–
Amount owing by a joint venture company	**–**	7.8	**–**	7.8
Other receivables	**354.1**	170.3	**321.3**	122.4
Derivative assets (refer to note 42)	**174.6**	37.2	**174.6**	37.2
	646.0	345.7	**495.9**	167.4

The Group's other receivables are stated at amortised cost and are expected to be received over a period of two to eight years (2020: two to nine years).

30 Inventories (in $ million)

	The Group 31 March		The Company 31 March	
	2021	2020	2021	2020
Technical stocks and stores	**158.8**	199.7	**126.6**	152.3
Catering and general stocks	**36.1**	39.6	**18.7**	16.1
Total inventories at lower of cost and net realisable value	**194.9**	239.3	**145.3**	168.4

The cost of inventories recognised as an expense amounted to $78.8 million (FY2019/20: $151.0 million).

31 Trade Debtors (in $ million)

	The Group 31 March		The Company 31 March	
	2021	2020	2021	2020
Trade debtors	**901.2**	672.7	**753.6**	435.3
Contract assets	**33.5**	114.4	**–**	–
Amounts owing by:				
- associated companies	**3.1**	7.6	**0.3**	0.7
- joint venture companies	**1.7**	25.8	**–**	4.5
	939.5	820.5	**753.9**	440.5
Amounts owing by:				
- subsidiary companies	**–**	–	**12.5**	200.4
	939.5	820.5	**766.4**	640.9

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

31 Trade Debtors (in $ million) (continued)

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.

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

	The Group 31 March		The Company 31 March	
	2021	**2020**	**2021**	**2020**
Not past due and not impaired	**780.9**	748.0	**639.0**	609.5
Past due but not impaired	**158.6**	71.5	**127.4**	30.3
	939.5	819.5	**766.4**	639.8
Impaired trade debtors - collectively assessed	**8.4**	5.1	**3.2**	3.1
Less: Accumulated impairment losses	**(8.4)**	(4.1)	**(3.2)**	(2.0)
	–	1.0	**–**	1.1
Impaired trade debtors - individually assessed				
Customers in bankruptcy or other financial reorganisation	**2.7**	3.6	**0.1**	–
Customers who default in payment within stipulated framework of IATA Clearing House or Bank Settlement Plan	**1.2**	5.2	**1.1**	5.3
Less: Accumulated impairment losses	**(3.9)**	(8.8)	**(1.2)**	(5.3)
	–	–	**–**	–
Impaired amounts owing by associated companies - individually assessed	**1.9**	3.6	**–**	–
Impaired amounts owing by joint venture companies - individually assessed	**79.1**	61.6	**75.3**	57.5
Less: Accumulated impairment losses	**(81.0)**	(65.2)	**(75.3)**	(57.5)
	–	–	**–**	–
Total trade debtors, net	**939.5**	820.5	**766.4**	640.9

Included in trade and other debtors are amounts owing by related parties of $8.3 million (2020: $41.5 million) and $6.2 million (2020: $35.1 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	
	2021	**2020**	**2021**	**2020**
Balance at 1 April	**78.1**	9.8	**64.8**	7.2
Provided during the year for trade debtors	**17.2**	69.1	**15.9**	57.9
Written off during the year	**(1.8)**	(0.8)	**(1.0)**	(0.3)
Disposal of a subsidiary company	**(0.2)**	–	**–**	–
Balance at 31 March	**93.3**	78.1	**79.7**	64.8
Bad debts written off directly to profit and loss account, net of debts recovered	**7.5**	1.4	**5.4**	0.3

As at 31 March 2021, the composition of trade debtors held in foreign currencies by the Group is as follows: USD – 30.2% (2020: 47.3%), AUD – 1.5% (2020: 2.8%), EUR – 4.2% (2020: 3.2%), GBP – 3.2% (2020: 5.1%) and JPY – 1.5% (2020: 0.9%).

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32 Deposits and Other Debtors (in $ million)

	The Group 31 March		The Company 31 March	
	2021	**2020**	**2021**	**2020**
Deposits	**20.9**	25.0	**11.2**	11.3
Other debtors	**96.4**	305.8	**57.3**	286.4
	117.3	330.8	**68.5**	297.7

33 Investments (in $ million)

	The Group 31 March		The Company 31 March	
	2021	**2020**	**2021**	**2020**
Quoted				
Equity investments	**3.7**	0.1	**–**	–
Non-equity investments	**268.1**	190.7	**216.5**	142.6
Unquoted				
Non-equity investments	**–**	232.7	**–**	232.7
	271.8	423.5	**216.5**	375.3

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

The interest rates for quoted and unquoted non-equity investments range from 0% to 5.50% (FY2019/20: 0% to 5.50%) and nil (FY2019/20: 1.00%) per annum respectively.

34 Cash and Bank Balances (in $ million)

	The Group 31 March		The Company 31 March	
	2021	**2020**	**2021**	**2020**
Short-term deposits	**5,701.9**	1,283.5	**5,681.3**	1,260.6
Cash and bank balances	**2,081.1**	1,401.8	**1,830.8**	1,261.3
	7,783.0	2,685.3	**7,512.1**	2,521.9

As at 31 March 2021, the composition of cash and bank balances held in foreign currencies by the Group is as follows: USD – 24.0% (2020: 20.5%), EUR – 2.1% (2020: 8.8%), GBP – 1.2% (2020: 0.1%) and JPY – 1.0% (2020: 0.6%).

Cash at bank earns interest at floating rates based on daily bank deposit rates ranging from 0.17% to 0.65% (FY2019/20: 0.80% to 2.55%) 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 0.37% (FY2019/20: 1.46%) per annum.

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35 Trade and Other Creditors (in $ million)

	The Group 31 March		The Company 31 March	
	2021	**2020**	**2021**	**2020**
Trade creditors	**1,676.4**	2,924.6	**1,101.2**	2,205.1
Promissory notes	**338.4**	–	**338.4**	–
Accrued interest	**71.7**	46.2	**69.3**	43.4
Contract liabilities	**11.3**	16.4	**–**	–
Amounts owing to associated companies	**4.7**	2.8	**1.8**	1.1
Amounts owing to joint venture companies	**14.7**	26.0	**0.6**	0.9
	2,117.2	3,016.0	**1,511.3**	2,250.5
Funds from subsidiary companies	**–**	–	**807.7**	830.2
Amounts owing to subsidiary companies	**–**	–	**723.0**	191.3
	–	–	**1,530.7**	1,021.5

Trade and other creditors (other than promissory notes) are generally non-interest bearing. As at 31 March 2021, 7.7% (2020: 11.6%) 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 $103.9 million (2020: $175.6 million) and $97.2 million (2020: $142.5 million) for the Group and Company respectively.

The promissory notes bear interest of 1.75% per annum (FY2019/20: nil) and are denominated in USD.

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 0.05% to 0.95% (FY2019/20: 0.60% to 2.33%) per annum for SGD funds, and 0.10% to 0.75% (FY2019/20: 0.25% to 2.62%) per annum for USD funds.

As at 31 March 2021, 37.5% (2020: 41.0%) 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.

36 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		The Company	
	FY2020/21	**FY2019/20**	**FY2020/21**	**FY2019/20**
Revenue recognised that was included in the balance at the beginning of the year				
- Sales in advance of carriage	**478.7**	2,715.4	**404.8**	2,479.8
- Deferred revenue	**77.7**	610.9	**77.7**	610.9
Movements due to cash (refunded)/received, excluding amounts recognised as revenue during the year				
- Sales in advance of carriage	**(994.6)**	2,041.4	**(979.1)**	1,888.3
- Deferred revenue	**279.7**	755.8	**279.7**	755.8

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

36 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.

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

	The Group	
	FY2020/21	**FY2019/20**
Purchase of property, plant and equipment	**2,855.0**	5,211.8
Property, plant and equipment acquired under credit terms	**(100.7)**	(44.9)
Interest capitalised	**(58.8)**	(63.4)
Cash invested in capital expenditure	**2,695.5**	5,103.5
Purchase of intangible assets	**74.1**	91.6
Intangible assets acquired under credit terms	**–**	–
Cash invested in purchase of intangible assets	**74.1**	91.6

38 Capital Expenditure Commitments (in $ million)

The Group and the Company have commitments for capital expenditure. Such commitments aggregated $16,821.8 million (2020: $19,895.4 million) for the Group and $13,423.3 million (2020: $14,406.5 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 totaled $644.7 million (2020: $1,720.6 million) and $15.3 million (2020: $19.0 million) respectively.

39 Leases (in $ million)

(a) As lessee

Aircraft

The Company leases three 777-300ERs, three A330-300s, four A380-800s, six A350-900s, one 787-10 and eight 737-800s at fixed rental rates. The lease of six A350-900s and one 787-10 were entered into during the year through sale and leaseback arrangements, recording gross proceeds of $1,230.5 million. The leases of eight 737-800s were novated from SilkAir during the year. The original lease terms range from eight 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 five years. In addition, leases for the A330-300s, A350-900s and 787-10s 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.

SilkAir leases two A319-100s, three A320-200s, and one 737-800 at fixed rental rates. The original lease terms for the two A319-100s range from 11.2 to 11.5 years, which SilkAir holds options to extend the leases up to a maximum of 3 years. The original lease terms for the three A320-200s range from 6.7 to 11.8 years and the Company holds options to extend the leases up to a maximum of 3 years. The original lease term for the 737-800 is for 10.1 years, and SilkAir holds options to extend the lease up to a maximum of 4 years. Sub-leasing is allowed under all the lease arrangements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

39 Leases (in $ million) (continued)

(a) As lessee (continued)

As of 31 March 2021, Budget Aviation Holdings ("BAH") Group has leased 24 A320-200s and two A320neos. The leases of two A320neo aircraft were entered into during the prior financial year through sale and lease-back agreement to mitigate the BAH Group's exposure to residual value risk of the aircraft. The original lease terms on the aircraft are for 12 years and there are options to extend the leases up to 3 to 4 months for certain aircraft. Sub-leasing is allowed under all the lease arrangements, subject to certain terms and conditions stated in the agreements.

BAH Group had also entered into lease agreements for 10 A321neo aircraft. The lease terms on the aircraft are for 12 years. These leases have not commenced as of 31 March 2021. It is estimated that these committed leases would result in an increase in lease liabilities of $593.3 million (2020: $626.5 million).

Spare engines

The Company has lease agreements for four GE90-115B engines, six Trent 1000-J engines and six Trent TXWB-84 with fixed rental rates. The original lease term for the GE90-115B engines is approximately six years with extension options of 12 months. The original lease terms for the T1000-J and Trent TXWB-84 engines are ten years with extension options of up to 36 months. The four GE90-115B engine leases are due to expire on 30 April 2021.

BAH Group leases one spare engine. The lease term on the engine is 12 years. Sub-leasing is allowed under all the lease arrangements.

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 and spare engines, should the extension options be exercised, it would result in an increase in lease liabilities of $245.0 million (2020: $244.8 million), while the exercise of the termination options would result in a decrease in lease liabilities of $20.9 million (2020: $20.9 million).

(b) As lessor

Finance lease

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	
	2021	**2020**
Within 1 year	**9.0**	9.7
1 - 2 years	**9.0**	9.7
2 - 3 years	**3.7**	9.7
3 - 4 years	**–**	4.0
Total undiscounted lease receivables	**21.7**	33.1
Unearned finance income	**(0.8)**	(2.4)
Net investment in the lease	**20.9**	30.7

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

39 Leases (in $ million) (continued)

(b) As lessor (continued)

Operating lease

The Company leased seven 777 aircraft for lease terms ranging from four to eight years to NokScoot. The lease rental is fixed throughout the lease term and is non-cancellable. Subsequent to the liquidation of NokScoot (refer to note 27), the aircraft leases were terminated during the financial year.

Future minimum lease receivables under the non-cancellable operating leases are as follows:

	The Group and the Company	
	2021	2020
Within 1 year	–	66.0
1 - 2 years	–	65.5
2 - 3 years	–	46.7
3 - 4 years	–	8.9
	–	187.1

40 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. The European General Court has yet to issue its decision in respect of the appeal.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

40 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

41 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.

	Carrying amount				Fair value		
31 March 2021 The Group	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
Financial assets							
Long-term investments							
Quoted							
Non-equity investments	2.5	–	–	2.5	2.6	–	–
Unquoted							
Equity investments	–	41.0	6.4	47.4	–	–	47.4
Other long-term receivables	462.7	–	–	462.7	–	–	460.0
Derivative assets*	–	331.4	–	331.4	–	331.4	–
Investments							
Quoted							
Equity investments	–	3.7	–	3.7	3.7	–	–
Non-equity investments*	–	51.6	–	51.6	51.6	–	–
Non-equity investments	216.5	–	–	216.5	216.6	–	–
	681.7	427.7	6.4	1,115.8	274.5	331.4	507.4
Financial liabilities							
Derivative liabilities*	–	415.2	–	415.2	–	415.2	–
Notes payable	5,045.7	–	–	5,045.7	5,165.1	–	–
Convertible bonds	767.7	–	–	767.7	1,028.2	–	–
	5,813.4	415.2	–	6,228.6	6,193.3	415.2	–

* Mandatorily measured at FVTPL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

41 Financial Instruments (in $ million) (continued)

Classification and fair values of financial instruments (continued)

31 March 2021 The Company	Carrying amount Amortised cost	FVTPL	FVOCI	Total	Fair value Level 1	Level 2	Level 3
Financial assets							
Long-term investments							
Quoted							
Non-equity investments	2.5	–	–	2.5	2.6	–	–
Unquoted							
Equity investments	–	37.7	6.4	44.1	–	–	44.1
Other long-term receivables	321.3	–	–	321.3	–	–	321.3
Derivative assets*	–	331.4	–	331.4	–	331.4	–
Investments							
Quoted							
Non-equity investments	216.5	–	–	216.5	216.6	–	–
	540.3	369.1	6.4	915.8	219.2	331.4	365.4
Financial liabilities							
Derivative liabilities*	–	398.7	–	398.7	–	398.7	–
Notes payable	5,045.7	–	–	5,045.7	5,165.1	–	–
Convertible bonds	767.7	–	–	767.7	1,028.2	–	–
	5,813.4	398.7	–	6,212.1	6,193.3	398.7	–

31 March 2020 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	17.6	–	–	17.6	17.7	–	–
Unquoted							
Equity investments	–	41.4	6.2	47.6	–	–	47.6
Other long-term receivables	297.9	–	–	297.9	–	–	294.0
Derivative assets*	–	206.5	–	206.5	–	206.5	–
Investments							
Quoted							
Equity investments*	–	0.1	–	0.1	0.1	–	–
Non-equity investments*	–	48.1	–	48.1	48.1	–	–
Non-equity investments	142.6	–	–	142.6	140.3	–	–
Unquoted							
Non-equity investments*	–	232.7	–	232.7	–	232.7	–
	458.1	528.8	6.2	993.1	206.2	439.2	341.6
Financial liabilities							
Derivative liabilities*	–	3,418.3	–	3,418.3	–	3,418.3	–
Notes payable	4,377.6	–	–	4,377.6	4,329.7	–	–
	4,377.6	3,418.3	–	7,795.9	4,329.7	3,418.3	–

* Mandatorily measured at FVTPL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

41 Financial Instruments (in $ million) (continued)

Classification and fair values of financial instruments (continued)

31 March 2020 The Company	Carrying amount Amortised cost	FVTPL	FVOCI	Total	Fair value Level 1	Level 2	Level 3
Financial assets							
Long-term investments							
Quoted							
Non-equity investments	17.6	–	–	17.6	17.7	–	–
Unquoted							
Equity investments	–	31.0	6.2	37.2	–	–	37.2
Other long-term receivables	130.2	–	–	130.2	–	–	130.2
Derivative assets*	–	206.5	–	206.5	–	206.5	–
Investments							
Quoted							
Non-equity investments	142.6	–	–	142.6	140.3	–	–
Unquoted							
Non-equity investments*	–	232.7	–	232.7	–	232.7	–
	290.4	470.2	6.2	766.8	158.0	439.2	167.4
Financial liabilities							
Derivative liabilities*	–	3,397.7	–	3,397.7	–	3,397.7	–
Notes payable	4,377.6	–	–	4,377.6	4,329.7	–	–
	4,377.6	3,397.7	–	7,775.3	4,329.7	3,397.7	–

* Mandatorily measured at FVTPL

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

41 Financial Instruments (in $ million) (continued)

Financial instruments carried at fair value (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

41 Financial Instruments (in $ million) (continued)

Master netting or similar agreements (continued)

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 2021					
Derivative assets	331.4	–	331.4	(246.8)	84.6
Trade debtors	939.9	(0.4)	939.5	–	939.5
	1,271.3	(0.4)	1,270.9	(246.8)	1,024.1
Derivative liabilities	415.2	–	415.2	(246.8)	168.4
Trade and other creditors	2,117.6	(0.4)	2,117.2	–	2,117.2
	2,532.8	(0.4)	2,532.4	(246.8)	2,285.6
31 March 2020					
Derivative assets	206.5	–	206.5	(38.0)	168.5
Trade debtors	849.8	(29.3)	820.5	–	820.5
	1,056.3	(29.3)	1,027.0	(38.0)	989.0
Derivative liabilities	3,418.3	–	3,418.3	(38.0)	3,380.3
Trade and other creditors	3,045.3	(29.3)	3,016.0	–	3,016.0
	6,463.6	(29.3)	6,434.3	(38.0)	6,396.3
The Company					
31 March 2021					
Derivative assets	331.4	–	331.4	(246.8)	84.6
Trade debtors	754.3	(0.4)	753.9	–	753.9
Amounts owing by subsidiary companies	739.0	(726.5)	12.5	–	12.5
	1,824.7	(726.9)	1,097.8	(246.8)	851.0
Derivative liabilities	398.7	–	398.7	(246.8)	151.9
Trade and other creditors	1,511.7	(0.4)	1,511.3	–	1,511.3
Amounts owing to subsidiary companies	2,257.2	(726.5)	1,530.7	–	1,530.7
	4,167.6	(726.9)	3,440.7	(246.8)	3,193.9
31 March 2020					
Derivative assets	206.5	–	206.5	(38.0)	168.5
Trade debtors	469.8	(29.3)	440.5	–	440.5
Amounts owing by subsidiary companies	605.2	(404.8)	200.4	–	200.4
	1,281.5	(434.1)	847.4	(38.0)	809.4
Derivative liabilities	3,397.7	–	3,397.7	(38.0)	3,359.7
Trade and other creditors	2,279.8	(29.3)	2,250.5	–	2,250.5
Amounts owing to subsidiary companies	1,426.3	(404.8)	1,021.5	–	1,021.5
	7,103.8	(434.1)	6,669.7	(38.0)	6,631.7

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

42 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	
	2021	**2020**	**2021**	**2020**
Derivative assets				
Current				
Currency hedging contracts	**0.6**	166.8	**0.6**	166.8
Fuel hedging contracts	**151.6**	–	**151.6**	–
Cross currency swap contracts	**4.6**	2.5	**4.6**	2.5
	156.8	169.3	**156.8**	169.3
Non-current				
Currency hedging contracts	**–**	11.6	**–**	11.6
Fuel hedging contracts	**59.5**	–	**59.5**	–
Cross currency swap contracts	**9.0**	0.1	**9.0**	0.1
Interest rate swap contracts	**106.1**	25.5	**106.1**	25.5
	174.6	37.2	**174.6**	37.2
	331.4	206.5	**331.4**	206.5
Derivative liabilities				
Current				
Currency hedging contracts	**3.7**	5.2	**3.7**	5.2
Fuel hedging contracts	**61.0**	1,510.0	**61.0**	1,510.0
Cross currency swap contracts	**0.4**	0.9	**0.4**	0.9
Interest rate swap contracts	**65.3**	54.7	**58.9**	49.1
	130.4	1,570.8	**124.0**	1,565.2
Non-current				
Fuel hedging contracts	**242.1**	1,759.1	**242.1**	1,759.1
Cross currency swap contracts	**–**	15.0	**–**	15.0
Interest rate swap contracts	**42.7**	73.4	**32.6**	58.4
	284.8	1,847.5	**274.7**	1,832.5
	415.2	3,418.3	**398.7**	3,397.7

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

42 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 swap, option and collar contracts and hedging up to 20 quarters forward using jet fuel swap, option and collar contracts, ICE Brent swap contracts 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 loss before tax of $183.6 million (2020: $2,577.9 million), with a related deferred tax credit of $31.2 million (2020: $438.2 million), was included in the fair value reserve in respect of these contracts.

Due to the significant capacity cuts brought about by the Covid-19 pandemic and the expected impact on the near-term forecasted jet fuel purchases, the SIA Group is now in an overhedged position. Where the occurrences of these forecasted jet fuel purchases are no longer highly probable, hedge accounting has been discontinued. For discontinued hedges, where the forecast jet fuel purchases are no longer expected to occur, a loss of $497.3 million (2020: $709.8 million) previously recognised in the fair value reserve was reclassified to the profit or loss (refer to note 3(g)). 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 $283.3 million (2020: nil) were recognised in profit or loss. The cumulative impact of the losses recognised in profit or loss as described above of $214.0 million (FY19/20: $709.8 million) has been disclosed in the profit and loss account as "Fuel hedging ineffectiveness". For discontinued hedges where the forecast jet fuel purchases are no longer highly probable, but still expected to occur, a loss of $47.4 million (2020: $585.3 million) previously recognised remained in the fair value reserve as at 31 March 2021.

The table below sets out the movements for fuel hedges:

	The Group		The Company	
	FY2020/21	**FY2019/20**	**FY2020/21**	**FY2019/20**
Change in fair value of hedging instrument	**2,843.0**	(3,974.9)	**2,843.0**	(3,974.9)
Change in fair value of hedged item	**(2,820.5)**	4,072.2	**(2,820.5)**	4,072.2

As at 31 March 2021, the Group had entered into longer dated Brent hedges with maturities extending to FY2024/25 that cover up to 55.6% of the Group's projected annual fuel consumption, at average prices ranging from USD57 to USD62 per barrel.

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 $13.5 million and $12.9 million (FY2019/20: $58.9 million and $48.6 million) respectively.

The fuel hedging sensitivity analysis is based on contracts that are outstanding as at the end of the reporting period and assumes that a portion of jet fuel, Brent and crack hedges are ineffective. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

(a) Jet fuel price risk (continued)

Sensitivity analysis on outstanding fuel hedging contracts:

	The Group 31 March			
	2021		2020	
	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	**119.0**	**2.9**	165.8	18.9
Decrease in one USD per barrel	**(119.0)**	**(2.9)**	(165.8)	(18.9)

	The Company 31 March			
	2021		2020	
	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	**96.3**	**2.5**	133.9	15.6
Decrease in one USD per barrel	**(96.3)**	**(2.5)**	(133.9)	(15.6)

[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.*

(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 2021, these accounted for 71.1% of total revenue (FY2019/20: 65.7%) and 37.3% of total operating expenses (FY2019/20: 53.4%). 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 a portion of its fixed future foreign exchange exposure in JPY and EUR into SGD predetermined costs. 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.

Cash flow hedges

a) Net operating and other exposures

The Group held cash flow hedges to manage net operating exposures to foreign currencies. As at 31 March 2021, the carrying amounts of these hedges consisted of $0.6 million (2020: $106.5 million) derivative assets and $1.2 million (2020: $5.2 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 loss of $6.2 million (2020: gain of $16.1 million) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

(b) Foreign currency risk (continued)

Cash flow hedges (continued)

a) Net operating and other exposures (continued)

The Group also held cross currency swap contracts to hedge foreign currency risk of expected future JPY and EUR surpluses until November 2029. As at 31 March 2021, a net fair value gain of $13.2 million (2020: net fair value loss of $16.3 million), with a related deferred tax credit of $0.1 million (2020: $0.5 million), was included in the fair value reserve with respect to these contracts.

As at 31 March 2021, the Group held EUR and JPY secured loans amounting to $1,227.4 million (2020: $1,372.3 million) where the fixed repayments are hedged against the Group's EUR and JPY surpluses. A fair value loss of $36.5 million (2020: $50.8 million) was included in the fair value reserve in respect of the above cash flow hedges as at 31 March 2021.

Foreign currency hedging effectiveness

The effectiveness of the foreign currency hedges has been determined based on forecast foreign currency receipts using projections approved by Management covering a five-year period. Due to the significant capacity cuts brought about by the Covid-19 pandemic and the expected impact on the near-term forecasted foreign currency receipts, a portion of these forecasted receipts, for which hedge accounting had been applied previously, are no longer expected to occur. As a result, hedge accounting has been discontinued for these hedging relationships with foreign currency gain amounting to $5.3 million (FY2019/20: $30.0 million) and $3.3 million (FY2019/20: $25.5 million) for the Group and the Company respectively, recognised in profit or loss.

b) Capital expenditure exposures

The Group designates foreign currency forward contracts as cash flow hedges to manage the exposure to USD-denominated capital expenditure commitments. As at 31 March 2021, the total nominal amount of these cash flow hedges over the next two years was USD200.1 million with a hedged rate range of SGD/USD 1.34 – 1.40 for the Group and the Company (2020: USD921.7 million for the Group and USD900.6 million for the Company at hedged rate range of SGD/USD 1.29 – 1.40).

As at 31 March 2021, a fair value loss of $2.5 million (2020: fair value gain of $71.9 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 and the Company	
	31 March	
	2021	**2020**
Derivative assets	**–**	71.9
Derivative liabilities	**(2.5)**	–

	The Group and the Company	
	FY2020/21	**FY2019/20**
Change in fair value of hedging instrument	**(42.1)**	85.5
Change in fair value of hedged item	**42.1**	(85.5)

For the financial year ended 31 March 2021 and 31 March 2020, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

(b) Foreign currency risk (continued)

Fair value hedges

The Group entered into fair value hedges to manage the exposure to USD-denominated aircraft residual value. Underlying currency movements on aircraft 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	
	2021	2020	2021	2020
USD aircraft residual values	**1,886.4**	854.2	**1,556.0**	490.2
USD lease liabilities	**(1,886.4)**	(854.2)	**(1,556.0)**	(490.2)

	The Group		The Company	
	FY2020/21	FY2019/20	FY2020/21	FY2019/20
Change in fair value of hedging instrument	**29.0**	(45.0)	**8.6**	(26.7)
Change in fair value of hedged item	**(29.0)**	45.0	**(8.6)**	26.7

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			
	2021		2020	
	Effect on equity R1	Effect on profit before taxation R2	Effect on equity R1	Effect on profit before taxation R2
AUD	**–**	**(0.4)**	2.3	0.7
EUR	**10.8**	**7.6**	11.7	0.6
GBP	**–**	**(1.1)**	1.0	0.1
JPY	**5.9**	**(0.4)**	6.9	1.0
CNY	**–**	**0.2**	1.8	0.5
USD	**(1.6)**	**(9.8)**	(0.4)	1.4

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

(b) Foreign currency risk (continued)

Sensitivity analysis: (continued)

	The Company 31 March			
	2021		2020	
	Effect on equity [R1]	Effect on profit before taxation [R2]	Effect on equity [R1]	Effect on profit before taxation [R2]
AUD	**–**	**(0.5)**	2.1	0.6
EUR	**10.8**	**7.7**	11.7	0.6
GBP	**–**	**(1.1)**	1.0	0.1
JPY	**5.9**	**(0.4)**	6.9	0.9
CNY	**–**	**0.2**	1.3	0.2
USD	**(2.0)**	**(14.6)**	1.0	(2.0)

[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 which have been de-designated from a hedge relationship.*

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.

(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 2021, the total nominal amount of these cash flow hedges was $4,976.3 million (2020: $3,678.4 million) with a hedged rate range of 0.34% to 2.92% (2020: 0.34% to 2.92%) for the Group and $4,628.3 million (2020: $3,198.4 million) with a hedged rate range of 0.34% to 2.86% (2020: 0.34% to 2.86%) 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 2021, a net fair value loss of $1.9 million (2020: $102.6 million) with related deferred tax credit of $0.4 million (2020: $17.4 million) was included in the fair value reserve in respect of these contracts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

(c) Interest rate risk (continued)

Interest rate sensitivity analysis

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 2021 will have the effects as set out in the table below.

Sensitivity analysis:

	The Group 31 March			
	2021		2020	
	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	**22.7**	**8.0**	15.0	2.7
Decrease in 10 basis points in market interest rates	**(22.7)**	**(8.0)**	(15.0)	(2.7)

	The Company 31 March			
	2021		2020	
	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	**21.5**	**6.9**	13.4	1.8
Decrease in 10 basis points in market interest rates	**(21.5)**	**(6.9)**	(13.4)	(1.8)

R1 *Sensitivity analysis on derivative financial instruments.*

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

(d) Market rate risk

At 31 March 2021, the Group and the Company own investments of $321.7 million (2020: $488.7 million) and $263.1 million (2020: $430.1 million) respectively, out of which $102.7 million (2020: $328.6 million) and $44.0 million (2020: $269.9 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			
	2021		2020	
	Effect on equity	Effect on profit before taxation	Effect on equity	Effect on profit before taxation
Increase in 1% of quoted prices	**0.1**	**1.0**	0.1	3.2
Decrease in 1% of quoted prices	**(0.1)**	**(1.0)**	(0.1)	(3.2)

	The Company 31 March			
	2021		2020	
	Effect on equity	Effect on profit before taxation	Effect on equity	Effect on profit before taxation
Increase in 1% of quoted prices	**0.1**	**0.4**	0.1	2.6
Decrease in 1% of quoted prices	**(0.1)**	**(0.4)**	(0.1)	(2.6)

(e) Liquidity risk

At 31 March 2021, the Group had at its disposal, cash and short-term deposits amounting to $7,783.0 million (2020: $2,685.3 million). In addition, the Group had committed unsecured credit facilities of about $2,128.0 million (2020: $1,771.9 million) available for utilisation as at 31 March 2021. 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 (2020: $7,000.0 million) and as of 31 March 2021, $6,947.4 million (2020: $2,620.0 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, together with committed funding facilities and proceeds from issue of additional MCBs (refer to note 14), 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

(e) Liquidity risk (continued)

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 2021	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
The Group							
Notes payable	356.9	153.8	1,503.8	406.8	790.2	2,652.8	5,864.3
Convertible bonds	13.8	13.8	13.8	13.8	863.8	–	919.0
Loans	742.6	638.5	647.4	658.8	671.9	2,651.1	6,010.3
Lease liabilities	581.5	525.5	463.4	380.7	275.4	1,143.5	3,370.0
Maintenance reserve	1.8	–	–	–	–	–	1.8
Trade and other creditors	2,117.2	–	–	–	–	–	2,117.2
Derivative financial instruments:							
Currency hedging contracts	3.7	–	–	–	–	–	3.7
Fuel hedging contracts	61.4	61.7	146.7	58.1	–	–	327.9
Cross currency swap contracts	0.4	–	–	–	–	3.6	4.0
Interest rate swap contracts (net-settled)	64.5	46.3	23.6	1.2	(13.9)	(117.1)	4.6
	3,943.8	1,439.6	2,798.7	1,519.4	2,587.4	6,333.9	18,622.8
The Company							
Notes payable	356.9	153.8	1,503.8	406.8	790.2	2,652.8	5,864.3
Convertible bonds	13.8	13.8	13.8	13.8	863.8	–	919.0
Loans	674.1	584.4	595.6	606.9	620.4	2,527.0	5,608.4
Lease liabilities	392.5	355.3	336.2	304.8	248.4	1,056.6	2,693.8
Maintenance reserve	1.8	–	–	–	–	–	1.8
Trade and other creditors	1,511.3	–	–	–	–	–	1,511.3
Amounts owing to subsidiary companies	1,530.7	–	–	–	–	–	1,530.7
Derivative financial instruments:							
Currency hedging contracts	3.7	–	–	–	–	–	3.7
Fuel hedging contracts	61.4	61.7	146.7	58.1	–	–	327.9
Cross currency swap contracts	0.4	–	–	–	–	3.6	4.0
Interest rate swap contracts (net-settled)	58.1	41.3	20.5	(0.3)	(14.5)	(117.1)	(12.0)
	4,604.7	1,210.3	2,616.6	1,390.1	2,508.3	6,122.9	18,452.9

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

(e) Liquidity risk (continued)

31 March 2020	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
The Group							
Notes payable	630.4	318.9	115.8	1,465.9	368.7	2,134.7	5,034.4
Loans	2,130.1	367.1	384.0	399.9	412.0	1,919.9	5,613.0
Lease liabilities	566.8	439.3	378.5	325.0	240.4	247.4	2,197.4
Maintenance reserve	–	–	12.1	16.1	–	–	28.2
Trade and other creditors	3,016.0	–	–	–	–	–	3,016.0
Derivative financial instruments:							
Currency hedging contracts	5.2	–	–	–	–	–	5.2
Fuel hedging contracts	1,510.0	702.2	501.2	460.0	193.0	–	3,366.4
Cross currency swap contracts	0.6	0.4	–	0.2	1.0	16.1	18.3
Interest rate swap contracts (net-settled)	54.2	44.8	31.9	21.7	14.3	(56.3)	110.6
	7,913.3	1,872.7	1,423.5	2,688.8	1,229.4	4,261.8	19,389.5
The Company							
Notes payable	630.4	318.9	115.8	1,465.9	368.7	2,134.7	5,034.4
Loans	2,057.9	303.5	326.3	345.0	358.6	1,743.6	5,134.9
Lease liabilities	314.6	208.8	166.5	141.8	121.5	119.1	1,072.3
Maintenance reserve	–	–	12.1	16.1	–	–	28.2
Trade and other creditors	2,250.5	–	–	–	–	–	2,250.5
Amounts owing to subsidiary companies	1,021.5	–	–	–	–	–	1,021.5
Derivative financial instruments:							
Currency hedging contracts	5.2	–	–	–	–	–	5.2
Fuel hedging contracts	1,510.0	702.2	501.2	460.0	193.0	–	3,366.4
Cross currency swap contracts	0.6	0.4	–	0.2	1.0	16.1	18.3
Interest rate swap contracts (net-settled)	48.6	39.9	28.5	19.2	12.4	(59.0)	89.6
	7,839.3	1,573.7	1,150.4	2,448.2	1,055.2	3,954.5	18,021.3

(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 statement 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

42 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	
	2021	2020	2021	2020	2021	2020	2021	2020
Counterparty profiles								
By industry:								
Travel agencies	**322.9**	231.0	**3.2%**	4.7%	**311.6**	225.9	**2.4%**	3.2%
Airlines	**140.3**	161.7	**1.4%**	3.3%	**3,988.0**	3,028.3	**30.2%**	42.9%
Financial institutions	**7,823.2**	2,744.2	**78.4%**	56.5%	**7,560.2**	2,566.5	**57.3%**	36.3%
Others	**898.8**	1,486.3	**9.0%**	30.5%	**651.6**	1,009.7	**4.9%**	14.2%
	9,185.2	4,623.2	**92.0%**	95.0%	**12,511.4**	6,830.4	**94.8%**	96.6%
By region:								
East Asia	**3,888.8**	2,734.2	**38.9%**	56.1%	**7,502.3**	5,391.5	**56.9%**	76.2%
Europe	**4,311.0**	1,549.5	**43.2%**	31.8%	**4,135.4**	1,210.2	**31.3%**	17.1%
South West Pacific	**245.3**	124.7	**2.5%**	2.6%	**241.6**	116.8	**1.8%**	1.7%
Americas	**170.0**	100.0	**1.7%**	2.1%	**69.2**	47.1	**0.5%**	0.7%
West Asia and Africa	**570.1**	114.8	**5.7%**	2.4%	**562.9**	64.8	**4.3%**	0.9%
	9,185.2	4,623.2	**92.0%**	95.0%	**12,511.4**	6,830.4	**94.8%**	96.6%
By Moody's credit ratings:								
Investment grade (A to Aaa)	**7,809.6**	3,032.0	**78.2%**	62.3%	**7,543.2**	2,867.0	**57.2%**	40.6%
Investment grade (Baa)	**6.2**	15.1	**0.1%**	0.3%	**3.8**	1.7	**–**	–
Non-rated	**1,369.4**	1,576.1	**13.7%**	32.4%	**4,964.4**	3,961.7	**37.6%**	56.0%
	9,185.2	4,623.2	**92.0%**	95.0%	**12,511.4**	6,830.4	**94.8%**	96.6%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

43 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 2020	Proceeds	Repayments	Interest payments	Interest expense	Foreign exchange movement	Additions	Capital Reserve	Interest capitalised	31 March 2021
Notes payable	4,377.6	1,160.6	(500.0)	–	0.7	6.8	–	–	–	**5,045.7**
Convertible bonds	–	841.5	–	–	0.5	–	–	(74.3)	–	**767.7**
Loans	5,446.3	4,561.2	(4,344.1)	–	4.2	(9.1)	–	–	–	**5,658.5**
Lease liabilities	1,960.6	–	(551.6)	–	63.4	(41.9)	1,434.5	–	–	**2,865.0**
Accrued interest	46.2	–	–	(232.4)	199.1	–	–	–	58.8	**71.7**

					Non-cash changes					
	1 April 2019	Proceeds	Repayments	Interest payments	Interest expense	Foreign exchange movement	Additions	Capital Reserve	Interest capitalised	31 March 2020
Notes payable	4,377.0	–	–	–	0.6	–	–	–	–	4,377.6
Loans	2,277.4	3,981.0	(878.3)	–	1.2	65.0	–	–	–	5,446.3
Lease liabilities	2,185.3	–	(575.9)	–	75.7	71.7	203.8	–	–	1,960.6
Accrued interest	45.4	–	–	(206.0)	143.4	–	–	–	63.4	46.2

44 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

44 Capital Management (in $ million) (continued)

During the financial year ended 31 March 2021, 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	
	2021	**2020**	**2021**	**2020**
Notes payable	**5,045.7**	4,377.6	**5,045.7**	4,377.6
Convertible bonds	**767.7**	–	**767.7**	–
Loans	**5,658.5**	5,446.3	**5,293.7**	5,033.8
Lease liabilities	**2,865.0**	1,960.6	**2,291.1**	974.3
Total debt	**14,336.9**	11,784.5	**13,398.2**	10,385.7
Share capital	**7,180.2**	1,856.1	**7,180.2**	1,856.1
Mandatory convertible bonds	**3,496.1**	–	**3,496.1**	–
Reserves	**5,229.6**	7,458.0	**5,835.6**	7,006.6
Total capital	**15,905.9**	9,314.1	**16,511.9**	8,862.7
Gearing ratio (times)	**0.90**	1.27	**0.81**	1.17

45 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	
	FY2020/21	**FY2019/20**
Purchases of services from associated companies	**126.3**	203.9
Services rendered to associated companies	**(23.3)**	(58.1)
Purchases of services from joint venture companies	**5.7**	38.4
Services rendered to joint venture companies	**(35.9)**	(128.1)
Purchases of services from related parties	**324.8**	1,665.3
Services rendered to related parties	**(22.0)**	(40.3)
Professional fees paid to a firm of which a Director is a member	**3.0**	2.1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

Key Management Personnel remuneration of the Group

	The Group	
	FY2020/21	**FY2019/20**
Directors		
Salary, bonuses, fee and other costs	**2.5**	5.8
CPF and other defined contributions	*	*
Share-based compensation expense	**1.4**	2.2
	3.9	8.0
Key executives (excluding executive Directors)		
Salary, bonuses, fee and other costs	**1.7**	3.4
CPF and other defined contributions	*	*
Share-based compensation expense	**1.2**	1.9
	2.9	5.3

* Amount less than $0.1 million

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 2014 Base Awards

Name of participant	Balance as at 1 April 2020	Base Awards granted during the financial year	Rights issue adjustment[1]	Base Awards vested during the financial year	Balance as at 31 March 2021	Aggregate Base Awards granted since commencement of RSP 2014 to end of financial year under review
Goh Choon Phong	75,000	106,000	31,448	106,448	106,000	434,448
Mak Swee Wah	36,000	51,000	15,095	51,095	51,000	213,095
Lee Lik Hsin	18,200	38,000	7,631	25,831	38,000	100,365
Tan Kai Ping	26,000	38,000	10,902	36,902	38,000	147,052

RSP 2014 Final Awards (Pending Release)[R1]

Name of participant	Balance as at 1 April 2020	Final Awards granted during the financial year[2]	Rights issue adjustment[1]	Final Awards released during the financial year	Balance as at 31 March 2021	Aggregate ordinary shares released to participant since commencement of RSP 2014 to end of financial year under review[3]
Goh Choon Phong	55,800	40,460	23,398	67,989	51,669	252,789
Mak Swee Wah	27,900	19,420	11,699	33,725	25,294	126,125
Lee Lik Hsin	19,833	9,820	8,317	23,396	14,574	46,093
Tan Kai Ping	18,139	14,030	7,606	22,394	17,381	82,465

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

Deferred RSP 2014 Awards

Name of participant	Balance as at 1 April 2020	Rights issue adjustment[1]	Adjustment[4]	Base Awards vested during the financial year	Balance as at 31 March 2021	Aggregate ordinary shares released to participant since commencement of DSA to end of financial year under review[3]
Goh Choon Phong	44,600	18,702	2,230	32,419	33,113	82,199
Mak Swee Wah	20,820	8,730	1,050	15,144	15,456	41,184
Lee Lik Hsin	11,190	4,692	520	7,560	8,842	12,230
Tan Kai Ping	11,910	4,994	600	8,662	8,842	21,042

PSP 2014 Base Awards[R2]

Name of participant	Balance as at 1 April 2020	Base Awards granted during the financial year	Rights issue adjustment[1]	Base Awards vested during the financial year	Balance as at 31 March 2021	Aggregate Base Awards granted since commencement of PSP 2014 to end of financial year under review	Aggregate ordinary shares released to participant since commencement of PSP 2014 to end of financial year under review[3]
Goh Choon Phong	235,250	135,000	98,642	81,965	386,927	633,892	41,130
Mak Swee Wah	96,100	57,000	40,295	32,786	160,609	259,395	16,450
Lee Lik Hsin	36,483	43,000	15,298	14,879	79,902	94,781	3,720
Tan Kai Ping	40,400	43,000	16,940	11,922	88,418	124,340	5,990

TSA Base Awards

Name of participant	Balance as at 1 April 2020	Rights issue adjustment[1]	Cancelled	Balance as at 31 March 2021	Aggregate Base Awards granted since commencement of TSA to end of financial year under review
Goh Choon Phong	80,295	33,668	113,963	–	180,046
Mak Swee Wah	37,471	15,712	53,183	–	84,022
Lee Lik Hsin	21,412	8,978	30,390	–	48,012
Tan Kai Ping	21,412	8,978	30,390	–	48,012

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

TSA Final Awards (Pending Release)[R3]

Name of participant	Balance as at 1 April 2020	Rights issue adjustment[1]	Final Awards released during the financial year	Balance as at 31 March 2021	Aggregate ordinary shares released to participant since commencement of TSA to end of financial year under review[3]
Goh Choon Phong	41,500	17,402	29,451	29,451	70,951
Mak Swee Wah	15,500	6,500	11,000	11,000	26,500
Lee Lik Hsin	8,850	3,710	6,280	6,280	15,130
Tan Kai Ping	8,850	3,710	6,280	6,280	15,130

SSA Base Awards

Name of participant	Balance as at 1 April 2020	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2021	Aggregate Base Awards granted since commencement of SSA to end of financial year under review
Goh Choon Phong	–	186,700	186,700	–	186,700
Mak Swee Wah	–	87,100	87,100	–	87,100
Lee Lik Hsin	–	34,800	34,800	–	34,800
Tan Kai Ping	–	49,800	49,800	–	49,800

SSA Base Awards Final Awards (Pending Release)[R4]

Name of participant	Balance as at 1 April 2020	Final Awards granted during the financial year[2]	Final Awards released during the financial year	Balance as at 31 March 2021	Aggregate ordinary shares released to participant since commencement of SSA to end of financial year under review[3]
Goh Choon Phong	–	186,700	93,350	93,350	93,350
Mak Swee Wah	–	87,100	43,550	43,550	43,550
Lee Lik Hsin	–	34,800	17,400	17,400	17,400
Tan Kai Ping	–	49,800	24,900	24,900	24,900

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

[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 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 TSA 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 one-year performance period relating to the relevant awards.*

[R4] *The actual number of SSA Final Awards of fully paid ordinary shares is contingent on BCIRC assessment of Covid-19 response.*

[1] *In light of the rights issue, an adjustment has been made to the outstanding unvested awards under the RSP 2014 and PSP 2014 grants on 6 May 2020 (the Ex-Rights Date) to offset the dilutive effect on the share price due to the rights issue and this was approved by the BCIRC upon confirmation from our auditors that the adjustment was fair and reasonable to shareholders as required under the respective plan rules.*

[2] *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.*

[3] *During the financial year, 147,504, 35,410, 63,785, 53,011 and 179,200 treasury shares were issued to a Director and key executives of the Company pursuant to the RSP, PSP, DSA, TSA and SSA respectively.*

[4] *Adjustment at the end of performance period for accumulated dividend yield.*

46 Subsequent Events

1. Further to the fund-raising efforts during the financial year, the Company raised another $760.8 million in April 2021 through the completion of sale-and-leaseback transactions for an additional four aircraft, comprising one Airbus A350-900 and three Boeing 787-10s.

2. On 19 May 2021, the Company announced that it will undertake an issuance of Additional MCBs to raise gross proceeds of approximately $6.2 billion. The issuance will allow the Group to maintain a strong equity base that provides it with the financial foundation to navigate the crisis. It will also enable the Group to make the necessary investments to secure its industry-leading position.

GROUP CORPORATE STRUCTURE

AS AT 31 MARCH 2021

SINGAPORE AIRLINES LIMITED

- **100%** Budget Aviation Holdings Pte. Ltd.
  - **100%** Tiger Airways Holdings Pte. Ltd.
    - **100%** Scoot Tigerair Pte. Ltd.
      - **49%** NokScoot Airlines Co., Ltd.
      - **13%** Air Black Box Asia Pacific Pte. Ltd.
    - **100%** Roar Aviation Pte. Ltd.
    - **100%** Simple Holidays Pte. Ltd.
    - **100%** Falcon Aircraft Limited
    - **100%** Winnie Aircraft Limited
- **100%** Encounters Pte. Ltd.
- **100%** SilkAir (Singapore) Private Limited
- **100%** Singapore Airlines Cargo Pte Ltd
- **100%** Singapore Aviation and General Insurance Company (Pte) Limited
- **100%** Singapore Flying College Pte Ltd
- **100%** Sing-Bi Funds Private Limited
- **100%** Tradewinds Tours & Travel Private Limited
- **77.6%** SIA Engineering Company Limited
  - **100%** NexGen Network (1) Holding Pte. Ltd.
  - **100%** NexGen Network (2) Holding Pte. Ltd.
  - **100%** SIAEC Global Private Limited
  - **100%** SIA Engineering (USA), Inc.
  - **100%** SIA Engineering Japan Corporation
  - **100%** Singapore Aero Support Services Pte. Ltd.
  - **100%** Heavy Maintenance Singapore Services Pte. Ltd.
  - **100%** SIA Engineering (Philippines) Corporation
  - **60%** Additive Flight Solutions Pte. Ltd.
  - **51%** Aerospace Component Engineering Services Pte. Limited
  - **50%** Singapore Aero Engine Services Pte Ltd
  - **49%** Boeing Asia Pacific Aviation Services Pte. Ltd.
  - **49%** Eagle Services Asia Private Limited
  - **49%** Fuel Accessory Service Technologies Pte Ltd
  - **49%** GE Aviation, Overhaul Services – Singapore Pte. Ltd
  - **49%** Line Maintenance Partnership (Thailand) Company Limited
  - **49%** Moog Aircraft Services Asia Pte. Ltd.
  - **49%** PT JAS Aero-Engineering Services
  - **49%** Southern Airports Aircraft Maintenance Services Company Limited
  - **46.4%** Component Aerospace Singapore Pte. Ltd.
  - **45%** JAMCO Aero Design & Engineering Private Limited
  - **42.5%** Panasonic Avionic Services Singapore Pte. Ltd.
  - **40%** Goodrich Aerostructures Service Center-Asia Pte. Ltd.
  - **40%** Pan Asia Pacific Aviation Services Limited
  - **40%** Safran Electronics & Defense Services Asia Pte. Ltd.
  - **40%** Safran Landing Systems Services Singapore Pte. Ltd.
  - **39.2%** Asian Surface Technologies Pte Ltd
  - **24.5%** Turbine Coating Services Pte Ltd
- **70%** KrisShop Pte. Ltd.
- **51%** Cargo Community Network Pte Ltd
  - **100%** Cargo Community (Shanghai) Co. Ltd.
- **49%** TATA SIA Airlines Limited
- **45%** Airbus Asia Training Centre Pte. Ltd.
- **20%** Ritz-Carlton, Millenia Singapore Properties Private Limited
- **50%** Singapore CAE Flight Training Pte. Ltd.

QUARTERLY RESULTS OF THE GROUP

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
TOTAL REVENUE						
2020/21	($ million)	850.6	783.8	1,066.7	1,114.8	3,815.9
2019/20	($ million)	4,102.2	4,222.3	4,470.6	3,180.8	15,975.9
TOTAL EXPENDITURE						
2020/21	($ million)	1,887.4	1,609.9	1,397.5	1,433.6	6,328.4
2019/20	($ million)	3,902.2	4,009.2	4,022.1	3,983.3	15,916.8
OPERATING (LOSS)/PROFIT						
2020/21	($ million)	(1,036.8)	(826.1)	(330.8)	(318.8)	(2,512.5)
2019/20	($ million)	200.0	213.1	448.5	(802.5)	59.1
(LOSS)/PROFIT BEFORE TAXATION						
2020/21	($ million)	(1,266.9)	(2,508.7)	(434.9)	(746.7)	(4,957.2)
2019/20	($ million)	148.4	138.1	397.9	(904.6)	(220.2)
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY						
2020/21	($ million)	(1,123.3)	(2,343.7)	(141.8)	(661.9)	(4,270.7)
2019/20	($ million)	111.1	94.5	314.8	(732.4)	(212.0)
(LOSS)/EARNINGS PER SHARE - BASIC						
2020/21	(cents)	(57.2)	(54.9)	(3.3)	(15.5)	(115.6)
2019/20 [R1]	(cents)	5.9	5.0	16.7	(38.8)	(11.2)
(LOSS)/EARNINGS PER SHARE - ADJUSTED BASIC [R2]						
2020/21	(cents)	(68.7)	(79.1)	(4.8)	(22.3)	(162.2)
2019/20 [R1]	(cents)	5.9	5.0	16.7	(38.8)	(11.2)
(LOSS)/EARNINGS PER SHARE - DILUTED						
2020/21	(cents)	(57.2)	(54.9)	(3.3)	(15.5)	(115.6)
2019/20 [R1]	(cents)	5.9	5.0	16.6	(38.8)	(11.3)

R1 With the completion of the issuance of rights shares and mandatory convertible bonds on 8 June 2020, prior year comparatives for earnings per share were restated per IAS 33 through retrospective application of a bonus factor to the average weighted number of shares. The bonus factor is derived from the division of fair value per share immediately before the exercise of rights by the theoretical ex-rights fair value.

R2 (Loss)/Earnings per share (adjusted basic) is computed by dividing (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, assuming the redemption of all mandatory convertible bonds.

FIVE-YEAR FINANCIAL SUMMARY OF THE GROUP

	2020/21	2019/20	2018/19	2017/18	2016/17
PROFIT AND LOSS ACCOUNT ($ million)					
Total revenue	3,815.9	15,975.9	16,323.2	15,806.1	14,868.5
Total expenditure	(6,328.4)	(15,916.8)	(15,256.1)	(14,257.3)	(14,245.7)
Operating (loss)/profit	(2,512.5)	59.1	1,067.1	1,548.8	622.8
Finance charges	(267.9)	(220.9)	(116.1)	(89.8)	(46.1)
Interest income	35.4	42.1	41.9	60.9	73.9
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(27.0)	6.9	(5.8)	16.1	(31.7)
Dividend from long-term investments	8.4	3.2	3.1	6.2	45.0
Other non-operating items	(2,080.8)	(31.9)	(47.4)	19.3	(103.2)
Share of profits of joint venture companies	14.0	46.4	23.2	41.0	20.9
Share of losses of associated companies	(126.8)	(125.1)	(97.4)	(9.3)	(63.0)
(Loss)/Profit before taxation	(4,957.2)	(220.2)	868.6	1,593.2	518.6
(Loss)/Profit attributable to owners of the Company	(4,270.7)	(212.0)	682.7	1,301.6	360.4
STATEMENT OF FINANCIAL POSITION ($ million)					
Share capital	7,180.2	1,856.1	1,856.1	1,856.1	1,856.1
Mandatory convertible bonds	3,496.1	–	–	–	–
Treasury shares	(133.2)	(156.0)	(171.5)	(183.5)	(194.7)
Capital reserve	(96.8)	(112.7)	(124.3)	(139.4)	(147.6)
Foreign currency translation reserve	(16.9)	(5.3)	(33.2)	(52.4)	(123.7)
Share-based compensation reserve	20.8	25.7	24.9	79.5	88.5
Fair value reserve	(178.6)	(2,150.9)	459.7	313.5	(234.4)
General reserve	5,634.3	9,857.2	11,275.1	10,986.5	11,838.8
Equity attributable to owners of the Company	15,905.9	9,314.1	13,286.8	12,860.3	13,083.0
Non-controlling interests	372.2	418.6	396.4	368.1	387.2
Total equity	16,278.1	9,732.7	13,683.2	13,228.4	13,470.2
Property, plant and equipment	23,483.3	25,485.8	22,176.3	18,169.2	16,433.3
Right-of-use assets [R1]	2,395.7	1,477.7	–	–	–
Intangible assets	301.1	487.0	451.3	435.3	423.5
Associated companies	833.1	817.0	1,104.5	1,048.8	1,056.9
Joint venture companies	200.2	191.5	171.7	150.6	160.2
Long-term investments	49.9	65.2	343.9	346.0	405.7
Other non-current assets	646.0	345.7	757.8	775.6	540.4
Current assets	9,672.0	4,842.9	5,499.7	4,967.0	5,700.0
Total assets	37,581.3	33,712.8	30,505.2	25,892.5	24,720.0
Deferred account	41.0	33.3	83.9	123.3	234.5
Deferred taxation	1,032.5	1,335.3	2,040.3	1,840.6	1,890.5
Lease liabilities [R1]	2,865.0	1,960.6	–	–	–
Other non-current liabilities	12,142.9	10,141.8	7,319.4	4,134.5	2,836.2
Current liabilities	5,221.8	10,509.1	7,378.4	6,565.7	6,288.6
Total liabilities	21,303.2	23,980.1	16,822.0	12,664.1	11,249.8
Net assets	16,278.1	9,732.7	13,683.2	13,228.4	13,470.2

FIVE-YEAR FINANCIAL SUMMARY OF THE GROUP

	2020/21	2019/20	2018/19	2017/18	2016/17
CASH FLOW ($ million)					
Cash flow from operations	(3,274.8)	2,751.7	2,827.4	2,745.6	2,583.4
Internally generated cash flow [R2]	(1,848.4)	3,077.2	3,115.8	2,958.5	2,707.2
Capital expenditure	2,695.5	5,103.5	5,562.3	5,209.5	3,944.7
PER SHARE DATA					
(Loss)/Earnings - basic (cents) [R3]	(115.6)	(11.2)	57.7	110.1	30.5
Loss - adjusted basic (cents) [R4]	(162.2)	(11.2)	–	–	–
(Loss)/Earnings - diluted (cents) [R3]	(115.6)	(11.3)	57.4	109.7	30.3
Cash earnings ($) [R5]	(0.05)	1.06	1.75	2.14	1.67
Net asset value ($)	5.36	7.86	11.22	10.88	11.07
Adjusted net asset value ($) [R6]	3.60	7.86	–	–	–
SHARE PRICE ($) [R7]					
High	5.75	9.98	11.84	11.50	11.67
Low	3.20	5.28	9.14	9.66	9.60
Closing	5.55	5.74	9.66	10.84	10.07
DIVIDENDS					
Gross dividends (cents per share)	–	8.0	30.0	40.0	20.0
Dividend cover (times)	–	(2.2)	1.9	2.8	1.5
PROFITABILITY RATIOS (%)					
Return on equity holders' funds [R8]	(33.9)	(1.9)	5.2	10.8	2.8
Return on total assets [R9]	(12.0)	(0.5)	2.6	5.6	1.8
Return on turnover [R10]	(112.3)	(1.1)	4.4	8.5	3.0
PRODUCTIVITY AND EMPLOYEE DATA					
Value added ($ million)	592.9	4,775.3	5,314.3	5,615.5	4,843.1
Value added per employee ($) [R11]	23,208	172,899	200,283	216,806	192,232
Revenue per employee ($) [R11]	149,368	578,439	615,181	610,251	590,160
Average employee strength	25,547	27,619	26,534	25,901	25,194
SGD per USD exchange rate as at 31 March	1.3453	1.4243	1.3551	1.3120	1.3973

[R1] *With effect from 1 April 2019, the Group adopted IFRS 16 Leases, a single, on-balance sheet lease accounting model for leases. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.*

[R2] *Internally generated cash flow comprises cash generated from operations, dividends from associated and joint venture companies, proceeds from sale of aircraft and other property, plant and equipment and proceeds from sales and leaseback transactions.*

[R3] *Loss per share (basic) and loss per share (diluted) for FY2019/20 have been restated by applying a bonus factor for the rights issue, in accordance with IAS 33 Earnings Per Share. Earnings per share (basic) and earnings per share (diluted) for FY2016/17 to FY2018/19 were not restated.*

[R4] *Loss per share (adjusted basic) is computed by dividing loss attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, assuming the redemption of all mandatory convertible bonds.*

[R5] *Cash earnings is defined as (loss)/profit attributable to owners of the Company plus depreciation, amortisation and impairment.*

[R6] *Adjusted net asset value per share is computed by dividing equity attributable to owners of the Company by the number of ordinary shares in issue less treasury shares, assuming the conversion of all mandatory convertible bonds and convertible bonds.*

[R7] *Quoted share prices are accurate as at the respective financial year end. Prior year share prices not adjusted for rights-issuance or other corporate actions.*

[R8] *Return on equity holders' funds is the (loss)/profit attributable to owners of the Company expressed as a percentage of the average equity holders' funds.*

[R9] *Return on total assets is the (loss)/profit after tax expressed as a percentage of the average total assets.*

[R10] *Return on turnover is the (loss)/profit after tax expressed as a percentage of the total revenue.*

[R11] *Based on average employee strength.*

TEN-YEAR STATISTICAL RECORD

		2020/21	2019/20	2018/19	2017/18 [R1]	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
SINGAPORE AIRLINES											
FINANCIAL											
Total revenue	($ million)	3,450.4	13,012.7	13,144.2	12,807.5	11,094.2	11,686.1	12,418.4	12,479.7	12,387.0	12,070.1
Total expenditure	($ million)	5,152.1	12,718.5	12,153.7	11,469.4	10,707.8	11,201.0	12,078.2	12,224.1	12,199.8	11,889.5
Operating (loss)/profit	($ million)	(1,701.7)	294.2	990.5	1,338.1	386.4	485.1	340.2	255.6	187.2	180.6
(Loss)/Profit before taxation	($ million)	(3,360.5)	(290.3)	938.8	1,529.0	579.3	766.2	563.1	536.4	(682.4)	413.3
(Loss)/Profit after taxation	($ million)	(2,841.1)	(283.5)	779.1	1,324.6	514.0	672.0	540.3	538.5	(694.1)	390.2
Capital disbursements [R2]	($ million)	2,692.8	4,859.1	5,005.2	4,358.1	3,425.5	2,309.0	1,788.5	2,251.1	1,648.2	1,762.7
Passenger - yield	(cents/pkm)	20.9	10.0	10.1	10.2	10.3	10.6	11.2	11.1	11.4	11.8
- RASK	(cents/ask)	2.8	8.2	8.4	8.3	8.2	8.4	8.8	8.8	9.0	9.1
- unit cost	(cents/ask)	12.0	8.0	8.3	8.1	8.3	8.5	8.9	9.1	9.2	9.2
Cargo - yield	(cents/ltk)	65.9	30.5	31.7	30.0	25.9	29.0	32.8	32.7	33.4	34.9
- unit cost	(cents/ctk)	32.3	16.4	16.5	16.2	16.8	18.9	21.4	21.9	23.2	23.5
Overall - yield	(cents/ltk)	74.6	77.0	76.3	74.3	–	–	–	–	–	–
- unit cost	(cents/ctk)	56.8	50.5	50.9	49.1	–	–	–	–	–	–
ONGOING OPERATING FLEET											
Aircraft (Passenger)	(numbers)	113	122	121	107	106	102	105	103	101	100
Average age (Passenger)	(months)	61	65	79	88	92	89	85	81	80	74
Freighter	(numbers)	7	7	7	7	7	9	8	9	12	13
Average age (Freighter)	(months)	208	196	184	172	160	164	150	147	140	135
PRODUCTION											
Destination cities (Passenger)	(numbers)	47	66	63	62	61	60	60	62	63	63
Distance flown (Passenger)	(million km)	73.0	433.6	420.9	402.9	388.6	382.3	384.4	392.2	386.3	374.6
Time flown (Passenger)	(hours)	195,559	590,699	581,582	529,907	512,439	506,757	508,591	517,987	507,562	490,261
Overall capacity	(million tonne-km)	6,796.9	23,745.0	23,694.6	23,043.3	–	–	–	–	–	–
Passenger capacity	(million seat-km)	19,253.7	127,165.8	123,486.2	118,126.7	117,662.3	118,366.5	120,000.8	120,502.8	118,264.4	113,409.7
Cargo gross capacity	(million tonne-km)	4,795.1	10,778.2	11,210.4	11,126.7	10,912.3	10,513.3	10,024.9	10,273.6	10,661.0	11,286.5
TRAFFIC											
Passengers carried	('000)	457	20,906	20,738	19,505	18,990	19,029	18,737	18,628	18,210	17,155
Revenue passenger-km	(million)	2,581.6	104,134.6	102,571.9	95,855.0	92,913.8	94,267.4	94,209.2	95,064.3	93,765.6	87,824.0
Passenger load factor	(%)	13.4	81.9	83.1	81.1	79.0	79.6	78.5	78.9	79.3	77.4
Cargo and mail carried	(million kg)	734.0	1,205.0	1,298.3	1,301.2	1,248.1	1,170.1	1,124.0	1,117.8	1,144.6	1,205.8
Cargo load	(million tonne-km)	4,111.9	6,389.2	7,006.5	7,260.3	6,895.8	6,510.9	6,347.2	6,419.3	6,763.6	7,198.2
Cargo load factor	(%)	85.8	59.3	62.5	65.3	63.2	61.9	63.3	62.5	63.4	63.8
Overall load	(million tonne-km)	4,355.7	16,039.3	16,520.2	16,150.8	–	–	–	–	–	–
Overall load factor	(%)	64.1	67.5	69.7	70.1	–	–	–	–	–	–
STAFF											
Average strength	(numbers)	15,790	16,760	15,943	15,620	14,423	13,983	14,040	14,240	14,156	13,893
Capacity per employee [R3]	(tonne-km)	430,459	1,416,772	1,486,207	1,475,242	–	–	–	–	–	–
Revenue per employee	($)	218,518	776,414	824,450	819,942	769,202	835,736	884,501	876,383	875,035	868,790
Value added per employee	($)	56,713	201,348	258,634	286,530	246,183	261,861	242,970	242,184	159,593	237,472

TEN-YEAR STATISTICAL RECORD

		2020/21	2019/20	2018/19	2017/18 [R1]	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
SILKAIR											
Passengers carried	('000)	57	4,440	4,902	4,687	4,106	3,836	3,553	3,411	3,295	3,032
Revenue passenger-km	(million)	87.4	8,195.4	8,940.3	8,343.5	7,138.0	6,516.2	5,864.9	5,516.1	5,223.1	4,469.4
Available seat-km	(million)	239.3	10,599.6	11,731.8	11,365.9	10,086.3	9,117.8	8,355.2	7,926.9	7,096.3	5,904.8
Passenger load factor	(%)	36.5	77.3	76.2	73.4	70.8	71.5	70.2	69.6	73.6	75.7
Passenger yield	(cents/pkm)	28.6	10.7	10.9	11.5	13.0	13.5	13.9	13.7	14.1	14.5
Revenue per available seat-km	(cents/ask)	10.4	8.2	8.3	8.4	9.2	9.6	9.8	9.5	10.4	11.0
Passenger unit cost	(cents/ask)	48.3	8.5	8.5	8.4	8.6	9.0	9.7	9.8	9.9	10.1
SCOOT [R4]											
Passengers carried	('000)	82	10,454	10,455	9,467	8,503	7,540	7,018	–	–	–
Revenue passenger-km	(million)	221.6	28,668.5	29,325.9	25,599.8	22,083.8	18,225.0	16,415.0	–	–	–
Available seat-km	(million)	2,228.2	33,445.8	34,388.6	29,888.4	26,792.8	21,732.8	19,983.0	–	–	–
Passenger load factor	(%)	9.9	85.7	85.3	85.7	82.4	83.9	82.1	–	–	–
Passenger yield	(cents/pkm)	55.0	5.6	5.7	5.8	5.9	6.3	6.3	–	–	–
Revenue per available seat-km	(cents/ask)	5.5	4.8	4.9	5.0	4.8	5.3	5.2	–	–	–
Cost per available seat-km	(cents/ask)	19.9	5.4	5.2	4.9	4.8	5.3	5.9	–	–	–
GROUP AIRLINES (PASSENGERS)											
Passengers carried	('000)	596	35,800	36,095	33,659	31,599	30,405	29,308	22,039	21,505	20,187
Revenue passenger-km	(million)	2,890.6	140,998.5	140,838.1	129,798.3	122,135.6	119,008.6	116,489.1	100,580.4	98,988.7	92,293.4
Available seat-km	(million)	21,721.2	171,211.2	169,606.6	159,381.0	154,541.4	149,217.1	148,339.0	128,429.7	125,360.7	119,314.5
Passenger load factor	(%)	13.3	82.4	83.0	81.4	79.0	79.8	78.5	78.3	79.0	77.4

R1 *Operating statistics for FY2017/18 have been adjusted for adoption of IFRS and re-integration of SIA Cargo into the Parent Airline Company. Overall statistics for Singapore Airlines only shown with effect from FY2017/18.*

R2 *Capital disbursements comprised capital expenditure in property, plant and equipment, intangible assets, investments in subsidiaries, associated companies and joint venture companies, and additional long-term equity investments.*

R3 *Capacity per employee is defined as passenger and cargo capacity production (in tonnes) divided by Singapore Airlines' average staff strength.*

R4 *Operating statistics for Scoot only shown with effect from FY2014/15.*

THE GROUP FLEET PROFILE

As at 31 March 2021, Singapore Airlines Group's ongoing operating fleet [R1] consisted of 168 aircraft – 161 passenger aircraft and 7 freighters.

Aircraft type	Owned	Leased	Total	Average age in years (y) and months (m)	On firm order	On option/ purchase rights
Singapore Airlines:						
A380–800	10	2	12	6 y 7 m		
A330–300		3	3	5 y 8 m		
A350–900 XWB	46	6	52	2 y 8 m	12	
777–300ER [R2]	20	3	23	11 y 0 m		
787–10	14	1	15	2 y 4 m	13	6
777–9				–	31	6
737–800		8	8	6 y 5 m		
737–8 MAX				–	31	14 [R3]
Sub-total	*90*	*23*	*113*	*5 y 1 m*	*87*	*26*
Singapore Airlines (Freighters):						
747–400F	7		7	17 y 4 m		
SilkAir:						
737–800 [R4]		1	1	5 y 6 m		
737–8 MAX [R5]				–		
Sub-total	–	*1*	*1*	*5 y 6 m*	–	–
Scoot:						
787–8	10		10	4 y 8 m	3	
787–9	10		10	4 y 5 m	4	
A320		22	22	8 y 6 m		
A320neo	3	2	5	1 y 4 m	28	11
A321neo				–	16	
Sub-total	*23*	*24*	*47* [R6]	*6 y 1 m*	*51*	*11*
Total	**120**	**48**	**168**	**5 y 10 m**	**138**	**37**

R1 Ongoing operating fleet excludes aircraft deemed surplus to fleet requirements and includes aircraft that were withdrawn from service for temporary storage due to significant capacity cuts arising from the Covid-19 pandemic.

R2 Excludes four aircraft which will be removed from the operating fleet in FY2021/22.

R3 These are purchase rights for Boeing model 737 MAX aircraft including 737–7 MAX, 737–8 MAX and 737–9 MAX.

R4 Excludes eight aircraft which will be removed from the operating fleet in FY2021/22.

R5 Six 737–8 MAXs were temporarily withdrawn from service on 12 March 2019 till further notice.

R6 This excludes aircraft on lease to other carriers.

INFORMATION ON SHAREHOLDINGS

AS AT 3 JUNE 2021

No. of Issued Shares:	2,977,543,505
No. of Issued Shares (excluding Treasury Shares):	2,964,972,976
No./Percentage of Treasury Shares:	12,570,529 (0.42%)
No./Percentage of Subsidiary Holdings*:	0 (0%)
Class of Shares:	Ordinary shares One special share held by the Minister for Finance
Voting Rights (excluding Treasury Shares):	1 vote for 1 share

* 'Subsidiary holdings' is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

Ordinary Shares

Range of shareholdings	Number of shareholders	%	Number of shares	%
1 - 99	459	0.53	16,883	0.00
100 - 1,000	24,016	27.54	17,029,833	0.58
1,001 - 10,000	51,703	59.30	215,634,415	7.27
10,001 - 1,000,000	10,986	12.60	321,639,428	10.85
1,000,001 and above	25	0.03	2,410,652,417	81.30
Total	**87,189**	**100.00**	**2,964,972,976**	**100.00**

Twenty largest shareholders

	Name	Number of shares	%[1]
1	Napier Investments Pte. Ltd.	985,959,900	33.25
2	Temasek Holdings (Private) Limited	657,306,600	22.16
3	Citibank Nominees Singapore Pte Ltd	209,019,784	7.04
4	DBS Nominees Pte Ltd	194,559,750	6.56
5	HSBC (Singapore) Nominees Pte Ltd	76,776,565	2.58
6	DBSN Services Pte. Ltd.	63,503,137	2.14
7	Raffles Nominees (Pte) Limited	56,943,587	1.92
8	United Overseas Bank Nominees Private Limited	42,183,709	1.42
9	Phillip Securities Pte Ltd	19,938,373	0.67
10	BNP Paribas Nominees Singapore Pte Ltd	16,420,408	0.55
11	OCBC Nominees Singapore Pte Ltd	15,054,916	0.50
12	OCBC Securities Private Limited	12,039,442	0.40
13	UOB Kay Hian Private Limited	11,310,742	0.38
14	IFAST Financial Pte Ltd	8,254,397	0.27
15	DB Nominees (Singapore) Pte Ltd	5,870,500	0.19
16	BPSS Nominees Singapore (Pte.) Ltd.	5,304,018	0.17
17	Merrill Lynch (Singapore) Pte Ltd	5,141,238	0.17
18	DBS Vickers Securities (Singapore) Pte Ltd	5,109,686	0.17
19	Societe Generale Singapore Branch	4,112,234	0.13
20	Maybank Kim Eng Securities Pte. Ltd.	3,645,126	0.12
	Total	**2,398,454,112**	**80.79**

INFORMATION ON SHAREHOLDINGS

AS AT 3 JUNE 2021

S$3,496,128,555 Aggregate Principal Amount of Zero Coupon Mandatory Convertible Bonds (the "2020 MCBs")

Range of principal amount of 2020 MCBs (S$)	Number of 2020 MCBs holders	%	Principal amount of 2020 MCBs (S$)	%
1 - 99	92	0.86	4,444	0.00
100 - 1,000	1,311	12.20	825,714	0.02
1,001 - 10,000	7,209	67.11	32,772,704	0.94
10,001 - 1,000,000	2,118	19.72	61,833,751	1.77
1,000,001 and above	12	0.11	3,400,691,942	97.27
Total	**10,742**	**100.00**	**3,496,128,555**	**100.00**

S$850,000,000 1.625 per cent. Convertible Bonds due 2025 (the "CBs")

The global certificate representing the CBs is registered in the name of HSBC Nominees (Hong Kong) Limited. Information on the beneficial holdings of the CBs is unavailable.

Substantial shareholders' interest in Ordinary Shares (as shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest		Total Interest	
Substantial Shareholder	**No. of shares**	**%[1]**	**No. of shares**	**%[1]**	**No. of shares**	**%[1]**
Temasek Holdings (Private) Limited	657,306,600	22.16	995,572,065[2]	33.57	1,652,878,665	55.74
Tembusu Capital Pte. Ltd.	–	–	994,271,300[3]	33.53	994,271,300	33.53
Napier Investments Pte. Ltd.	985,959,900	33.25	–	–	985,959,900	33.25

1 Based on 2,964,972,975 ordinary shares issued as at 3 June 2021 (this is based on 2,977,543,504 shares issued as at 3 June 2021, excluding 12,570,529 shares held in treasury as at 3 June 2021 and the special share held by the Minister for Finance). Figures are rounded down to the nearest 0.01% and any discrepancies in aggregated figures are due to rounding.

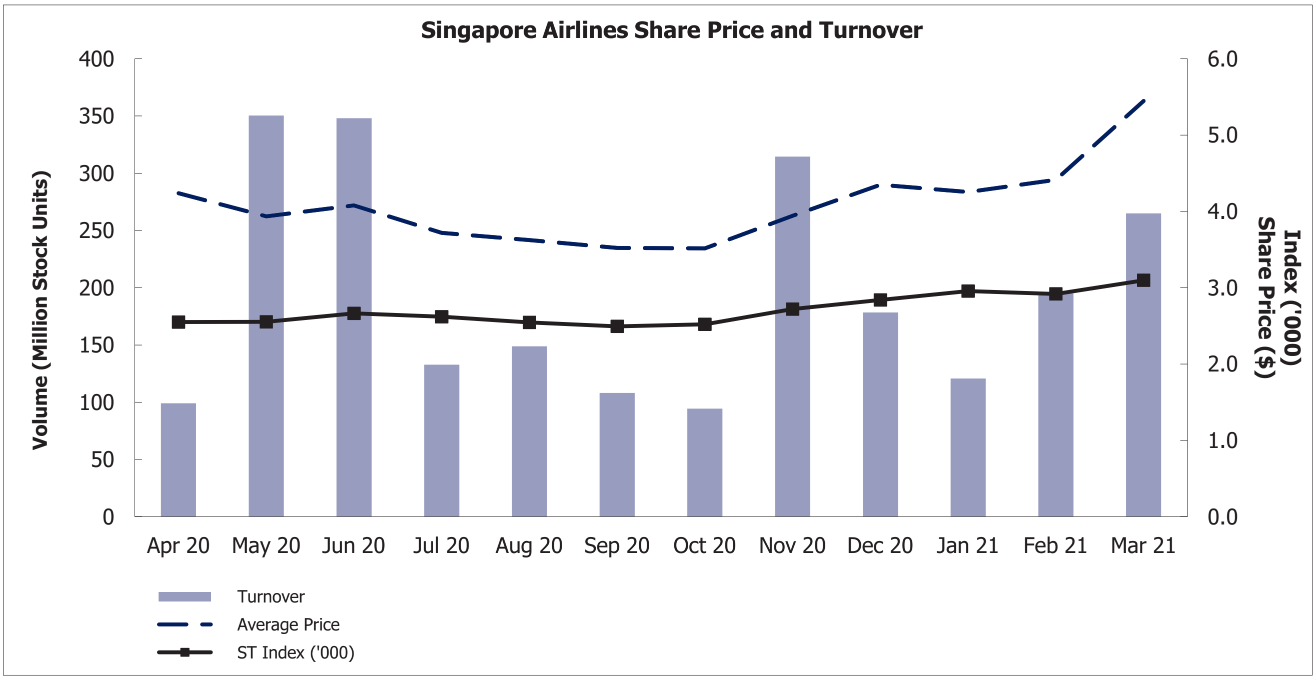
2 Temasek Holdings (Private) Limited is deemed to be interested in 995,572,065 shares in which its subsidiaries and associated companies have direct or deemed interests.

3 Tembusu Capital Pte. Ltd. is deemed to be interested in 994,271,300 shares in which its subsidiaries, including Napier Investments Pte. Ltd., have an interest.

Shareholdings held by the public

Based on the information available to the Company as at 3 June 2021, 44.14% of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

SHARE PRICE AND TURNOVER



Share Price ($) [R1]	2020/21	2019/20
High	5.75	9.98
Low	3.20	5.28
Closing	5.55	5.74
Market Value Ratios [R2]		
Price/Earnings	(4.80)	(51.25)
Price/Book value	1.04	0.73
Price/Cash earnings [R3]	(111.00)	5.42

[R1] *Quoted share prices are accurate as at the respective financial year end. Prior year share prices not adjusted for rights-issuance or other corporate actions.*

[R2] *Based on closing price on 31 March and Group numbers.*

[R3] *Cash earnings is defined as (loss)/profit attributable to owners of the Company plus depreciation, amortisation and impairment.*

ADDITIONAL INFORMATION REQUIRED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

1 Interested Person Transactions

The aggregate values of all Interested Person Transactions ("IPTs") entered into during the Financial Year 2020/21 are as follows:

Name of Interested Person	Nature of Relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S$)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (S$)
CapitaLand Limited Group			
1) ASB Sydney Goulburn Trust	An associate of the Company's controlling shareholder	–	553,524
2) Ascott Makati, Inc.	An associate of the Company's controlling shareholder	–	139,205
3) The Work Project (Commercial) Pte Ltd	An associate of the Company's controlling shareholder	–	119,530
Certis CISCO Group			
1) Certis CISCO Aviation Security Pte. Ltd.	An associate of the Company's controlling shareholder	–	384,678
2) Sydney Night Patrol & Inquiry Co Pty Ltd	An associate of the Company's controlling shareholder	–	289,598
3) Certis Integrated Facilities Management Pte. Ltd. (fka Synergy FMI Pte. Ltd.)	An associate of the Company's controlling shareholder	–	2,268,125
KrisShop Pte Ltd	An associate of the Company's controlling shareholder	–	30,537,017
SATS Ltd Group			
1) Air India SATS Airport Services Private Limited	An associate of the Company's controlling shareholder	–	2,591,076
2) Asia Airfreight Terminal Co Ltd	An associate of the Company's controlling shareholder	–	1,314,517
3) Country Foods Pte Ltd	An associate of the Company's controlling shareholder	–	135,000
4) MacroAsia Catering Services Inc.	An associate of the Company's controlling shareholder	–	312,425
5) Maldives Inflight Catering Private Limited	An associate of the Company's controlling shareholder	–	274,888
6) Mumbai Cargo Service Centre Airport Private Limited	An associate of the Company's controlling shareholder	–	1,026,836
7) PT JAS Aero-Engineering Services	An associate of the Company's controlling shareholder	–	560,297
8) PT Jasa Angkasa Semesta Tbk	An associate of the Company's controlling shareholder	–	1,147,344
9) SATS Aero Laundry Pte. Ltd.	An associate of the Company's controlling shareholder	–	1,677,951
10) SATS Catering Pte. Ltd.	An associate of the Company's controlling shareholder	–	3,088,319

ADDITIONAL INFORMATION REQUIRED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

1 Interested Person Transactions (continued)

Name of Interested Person		Nature of Relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S$)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (S$)
SATS Ltd Group (continued)				
11)	SATS Food Services Pte Ltd	An associate of the Company's controlling shareholder	–	380,155
12)	SATS HK Limited	An associate of the Company's controlling shareholder	–	1,594,142
13)	SATS Ltd	An associate of the Company's controlling shareholder	–	205,677,895
14)	SATS Security Services Private Limited	An associate of the Company's controlling shareholder	–	15,212,398
15)	Taj Madras Flight Kitchen Private Limited	An associate of the Company's controlling shareholder	–	173,842
16)	Taj SATS Air Catering Limited	An associate of the Company's controlling shareholder	–	296,622
17)	TFK Corporation	An associate of the Company's controlling shareholder	–	1,162,832
SembCorp Industries Ltd Group				
1)	Sembcorp Solar Singapore Pte Ltd	An associate of the Company's controlling shareholder	–	126,316
Singapore Technologies Engineering Limited Group				
1)	ST Aerospace Academy Pte Ltd	An associate of the Company's controlling shareholder	–	144,000
2)	ST Engineering Aerospace Ltd.	An associate of the Company's controlling shareholder	–	438,000
Singapore Telecommunications Limited Group				
1)	Optus Networks Pty Limited	An associate of the Company's controlling shareholder	–	726,073
2)	Singapore Telecommunications Limited	An associate of the Company's controlling shareholder	–	2,108,696
StarHub Ltd Group				
1)	Ensign InfoSecurity (Singapore) Pte. Ltd.	An associate of the Company's controlling shareholder	–	115,885
2)	Ensign InfoSecurity (Systems) Pte. Ltd.	An associate of the Company's controlling shareholder	–	416,236
3)	StarHub Ltd	An associate of the Company's controlling shareholder	–	714,592
TeleChoice International Limited Group				
1)	S & I Systems Pte Ltd	An associate of the Company's controlling shareholder	–	252,233

ADDITIONAL INFORMATION REQUIRED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

1 Interested Person Transactions (continued)

Name of Interested Person	Nature of Relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S$)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (S$)
Temasek Holdings (Private) Limited and Associates			
1) Fullerton Fund Management Company Ltd	An associate of the Company's controlling shareholder	^6,125,000	–
2) Gate Gourmet Amsterdam B.V.	An associate of the Company's controlling shareholder	–	502,493
3) Gate Gourmet Denmark ApS	An associate of the Company's controlling shareholder	–	448,012
4) Gate Gourmet Services Pty Ltd	An associate of the Company's controlling shareholder	–	1,413,618
5) Gate Gourmet Switzerland GmbH	An associate of the Company's controlling shareholder	–	1,053,074
6) Gategroup Trading Hong Kong Ltd	An associate of the Company's controlling shareholder	–	446,729
7) SMM Pte Ltd	An associate of the Company's controlling shareholder	–	434,238
Total		**6,125,000**	**280,258,410**

^ *Fullerton Fund Management Company Ltd's subscription of 10-year 3.5% Notes issued by SIA under its S$10 Billion Multicurrency Medium Term Note Programme. Pursuant to Rule 909(3) of the SGX Listing Manual, the value of the transaction is the interest payable on the borrowing.*

2 Material Contracts

Except as disclosed above and in the financial statements for the financial year ended 31 March 2021, there were no material contracts entered into by the Company and its subsidiary companies involving the interests of the Chief Executive Officer, Directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

3 Use of Proceeds from Issue of Rights Shares and Mandatory Convertible Bonds

On 8 June 2020, the Company received $8.8 billion, comprising $5.3 billion from the issuance of Rights Shares at an issue price of $3.00 for each Rights Share and $3.5 billion from the issuance of Rights Mandatory Convertible Bonds (the "Rights MCBs") at an issue price of 100% of the principal amount of the Rights MCBs.

As at 24 June 2021, approximately $8.2 billion of the net proceeds have been used for the intended purposes, being (1) to fund fixed costs and other ongoing operating expenses; (2) for aircraft purchases and aircraft related payments; and (3) debt service and other contractual payments. The Company will make further announcements on the use of the remaining proceeds of the Rights Issue until such proceeds have been fully utilised.

4 Use of Proceeds from Issue of $850 million Convertible Bonds

On 3 December 2020, the Company issued S$850 million in aggregate principal amount of 1.625%. convertible bonds due 2025 convertible into Shares, at an issue price of 100% of their principal amount. As at 24 June 2021, none of the net proceeds has been used.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE AIRLINES LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
COMPANY REGISTRATION NO. 197200078R

IMPORTANT:
The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of Annual General Meeting will not be sent to members. Instead, this Notice of Annual General Meeting will be sent to members by electronic means via publication on the Company's website at the URL http://www.singaporeair.com/shareholder and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

Notice is hereby given that the Forty-Ninth Annual General Meeting of Singapore Airlines Limited (the "**Company**") will be convened and held by way of electronic means on Thursday, 29 July 2021 at 3.30 p.m. (Singapore time) to transact the following business:

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2021 and the Auditors' Report thereon.

2. To re-elect the following Directors who are retiring by rotation in accordance with Article 91 of the Company's Constitution and who, being eligible, offer themselves for re-election:

   (a) Mr Gautam Banerjee

   (b) Mr Dominic Ho Chiu Fai

   (c) Mr Lee Kim Shin

3. To re-elect Ms Jeanette Wong Kai Yuan, who is retiring in accordance with Article 97 of the Company's Constitution and who, being eligible, offers herself for re-election.

4. To approve Directors' emoluments of up to S$1,800,000 for the financial year ending 31 March 2022 (FY2020/21: up to S$2,000,000).

5. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

Special Business

To consider and if thought fit, to pass, with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:

6. That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors of the Company (the "**Directors**") to:

   (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue or consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

7. That the Directors of the Company be and are hereby authorised to:

(a) grant awards in accordance with the provisions of the SIA Performance Share Plan 2014 and/or the SIA Restricted Share Plan 2014; and

(b) allot and issue from time to time such number of fully paid-up ordinary shares as may be required to be delivered pursuant to the vesting of awards under the SIA Performance Share Plan 2014 and/or the SIA Restricted Share Plan 2014,

provided that:

(1) the aggregate number of (i) new ordinary shares allotted and issued and/or to be allotted and issued, (ii) existing ordinary shares (including ordinary shares held in treasury) delivered and/or to be delivered, and (iii) ordinary shares released and/or to be released in the form of cash in lieu of ordinary shares, pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014, shall not exceed 5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time;

(2) the aggregate number of ordinary shares under awards to be granted pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 respectively during the period (the "**Relevant Year**") commencing from this Annual General Meeting and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 0.5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"); and

(3) if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used for the grant of awards under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 in subsequent years, for the duration of the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 respectively,

and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE AIRLINES LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
COMPANY REGISTRATION NO. 197200078R

8. That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited for the Company, its subsidiaries and associated companies that are "entities at risk" (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Letter to Shareholders dated 1 July 2021 (the "**Letter**") with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

(b) the approval given in paragraph (a) above (the "**IPT Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

9. That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company (the "**Directors**") of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five-day period and the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the basis set out herein) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of issued Shares representing 5% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE AIRLINES LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
COMPANY REGISTRATION NO. 197200078R

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, whether pursuant to a market purchase or an off-market purchase, 105% of the Average Closing Price of the Shares; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board

Brenton Wu
Company Secretary
1 July 2021
Singapore

Explanatory notes

1. In relation to Ordinary Resolution Nos. 2(a), 2(b) and 2(c), Mr Gautam Banerjee will, upon re-election, continue to serve as Chairman of the Board Audit Committee and a member of the Board Executive Committee. Mr Dominic Ho Chiu Fai will, upon re-election, continue to serve as Chairman of the Board Safety and Risk Committee and a member of the Board Audit Committee. Mr Lee Kim Shin will, upon re-election, continue to serve as a member of the Board Nominating Committee and the Board Safety and Risk Committee. Mr Banerjee, Mr Ho and Mr Lee are considered independent Directors. Please refer to pages 230 to 237 of the Annual Report FY2020/21 for information relating to each of these Directors, as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

2. In relation to Ordinary Resolution No. 3, Article 97 of the Company's Constitution permits the Directors to appoint any person approved in writing by the Special Member to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election. Ms Jeanette Wong Kai Yuan was appointed on 1 June 2021 and is seeking re-election at the forthcoming Forty-Ninth Annual General Meeting. Ms Wong will, upon re-election, continue to serve as a member of the Board Audit Committee. Ms Wong is considered an independent Director. Please refer to pages 230 to 237 of the Annual Report FY2020/21 for information relating to Ms Wong, as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST.

3. Ordinary Resolution No. 4, if passed, will facilitate the payment of S$1,800,000 as Directors' fees during the financial year in which the fees are incurred, that is, during the financial year ending 31 March 2022 ("**FY2021/22**") (S$2,000,000 for the previous financial year). Directors' fees are computed based on the anticipated number of Board and Committee meetings for FY2021/22, assuming full attendance by all of the non-executive Directors. The amount also caters for any fee increases and unforeseen circumstances, for example, the appointment of additional Directors, additional unscheduled Board meetings and/or the formation of additional Board Committees. The amount also includes transport and travel benefits to be provided to the non-executive Directors. In the event that the amount proposed is insufficient, approval will be sought at the next Annual General Meeting in year 2022 ("**2022 AGM**") before payments are made to Directors for the shortfall. Mr Goh Choon Phong, being the Chief Executive Officer, does not receive any Director's fees.

   The current intention is that the Directors' fees for non-executive Directors for FY2021/22 will comprise a cash component and a share component, with approximately 30% being paid out in the form of awards under the SIA Restricted Share Plan 2014. Any such award would typically consist of the grant of fully paid shares outright with no performance or vesting conditions attached, but with a selling moratorium of one year. Non-executive Directors would eventually be required to hold shares (including shares obtained by other means) worth a minimum of the annual basic retainer fees (currently S$90,000) as the shares paid out to them as part of their remuneration in lieu of cash accumulate over time.

   The cash component of the Directors' fees for FY2021/22 is intended to be paid quarterly in arrears. The share component of the Directors' fees for FY2021/22 is intended to be paid after the 2022 AGM has been held. The actual number of shares to be awarded to each non-executive Director holding office at the time of the payment is intended to be determined by reference to the volume weighted average price of a share on the SGX-ST over the 10 trading days from (and including) the day on which the shares are first quoted ex-dividend after the 2022 AGM (or, if no final dividend is proposed at the 2022 AGM, or the resolution to approve any such final dividend is not approved at the 2022 AGM, over the 10 trading days immediately following the date of the 2022 AGM). The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash. A non-executive Director who steps down before the payment of the share component will receive all of his Directors' fees for FY2021/22 (calculated on a pro-rated basis, where applicable) in cash.

4. Ordinary Resolution No. 6, if passed, will empower the Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments. The number of shares which the Directors may issue under this Resolution will not exceed 50% of the issued shares (excluding treasury shares and subsidiary holdings), with a sub-limit of 5% for issues other than on a *pro rata* basis. The 5% sub-limit for non-*pro rata* issues is lower than the 20% sub-limit allowed under the Listing Manual of the SGX-ST. For the purpose of determining the aggregate number of shares which may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible instruments or share options or vesting of share awards which were issued and are outstanding at the time this Ordinary Resolution is passed and (b) any subsequent bonus issue or consolidation or subdivision of shares. For the avoidance of doubt, shareholders' approval will be required for any consolidation or subdivision of shares. As at 3 June 2021, the Company had 12,570,529 treasury shares and no subsidiary holdings.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE AIRLINES LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
COMPANY REGISTRATION NO. 197200078R

5. Ordinary Resolution No. 7, if passed, will empower the Directors to grant awards pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014, and to allot and issue ordinary shares of the Company pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014.

   The SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 were adopted at the Extraordinary General Meeting of the Company held on 30 July 2014. At the Annual General Meeting held on 27 July 2018, shareholders approved alterations to the SIA Restricted Share Plan 2014 to enable non-executive Directors of the Company and/or its subsidiaries to participate in the SIA Restricted Share Plan 2014 (in addition to employees, including executive Directors of the Company and/or its subsidiaries).

   The total number of ordinary shares which may be delivered pursuant to awards granted under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 (whether in the form of ordinary shares or in the form of cash in lieu of ordinary shares) shall not exceed 5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time. In addition, Ordinary Resolution No. 7 will also provide that the total number of ordinary shares under awards to be granted pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 from this Annual General Meeting to the next Annual General Meeting (the "**Relevant Year**") shall not exceed 0.5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"), provided that if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used by the Directors to make grants of awards under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 in subsequent years, for the duration of the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 respectively.

6. Ordinary Resolution No. 8, if passed, will renew the mandate to allow the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST) or any of them, to enter into certain interested person transactions with certain classes of interested persons as described in the Appendix to the Letter to Shareholders dated 1 July 2021 (the "**Letter**"). The authority will, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company. Please refer to the Letter (which is available on the Company's website at the URL http://www.singaporeair.com/shareholder and on the SGX website at the URL https://www.sgx.com/securities/company-announcements) for more details.

7. Ordinary Resolution No. 9, if passed, will renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

   The Company may use internal or external sources of funds to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

   The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Buy Back Mandate on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 March 2021, based on certain assumptions, are set out in paragraph 3.7 of the Letter.

   Please refer to the Letter (which is available on the Company's website at the URL http://www.singaporeair.com/shareholder and on the SGX website at the URL https://www.sgx.com/securities/company-announcements) for more details.

Notes:

1. *The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's website at the URL http://www.singaporeair.com/shareholder and the SGX website at the URL https://www.sgx.com/securities/company-announcements.*

2. *Alternative arrangements relating to:*

   (a) attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream);

   (b) submission of questions to the Chairman of the Meeting in advance of, or live at, the Annual General Meeting, addressing of substantial and relevant questions in advance of, or live at, the Annual General Meeting; and

   (c) voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting,

   are set out in the accompanying Company's announcement dated 1 July 2021. This announcement may be accessed at the Company's website at the URL http://www.singaporeair.com/shareholder and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

3. ***As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting**. The accompanying proxy form for the Annual General Meeting may be accessed at the Company's website at the URL http://www.singaporeair.com/shareholder and the SGX website at the URL https://www.sgx.com/securities/company-announcements.*

   Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote must approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 July 2021, in order to enable their respective CPF Agent Banks or SRS Operators to submit proxy forms on their behalf not less than 72 hours before the time appointed for holding the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE AIRLINES LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
COMPANY REGISTRATION NO. 197200078R

4. *The Chairman of the Meeting, as proxy, need not be a member of the Company.*

5. *The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:*

   (a) *if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902; or*

   (b) *if submitted electronically, be submitted via email to the Company's Share Registrar at GPE@mncsingapore.com,*

   in either case not less than 72 hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

6. *The Annual Report FY2020/21 and the Letter to Shareholders dated 1 July 2021 (in relation to the proposed renewal of the mandate for interested person transactions and the proposed renewal of the share buy back mandate) may be accessed at the Company's website at the URL http://www.singaporeair.com/shareholder as follows:*

   (a) *the Annual Report FY2020/21 may be accessed by clicking on the hyperlink for "Annual Report FY2020/21" under "Annual General Meeting (29 July 2021)"; and*

   (b) *the Letter to Shareholders dated 1 July 2021 may be accessed by clicking on the hyperlink for "Letter to Shareholders" under "Annual General Meeting (29 July 2021)".*

   The above documents will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Mr Gautam Banerjee, Mr Dominic Ho Chiu Fai, Mr Lee Kim Shin and Ms Jeanette Wong Kai Yuan as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is disclosed below:

Name of Director	Gautam Banerjee	Dominic Ho Chiu Fai	Lee Kim Shin	Jeanette Wong Kai Yuan
Date of Appointment	1 January 2013	1 May 2017	1 September 2016	1 June 2021
Date of last re-appointment (if applicable)	27 July 2018	29 July 2019	29 July 2019	Not applicable
Age	66	70	60	61
Country of Principal Residence	Singapore	United States of America	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After due consideration, the Board concurs with the Nominating Committee's views that Mr Banerjee, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience, independence and commitment in the discharge of his duties as a Director. Mr Banerjee's deep knowledge of, and vast experience in, financial services will enable him to provide strong leadership to the Audit Committee. Mr Banerjee's leadership of an international investment management business also puts him in good stead to continue to contribute immensely to the Board.	After due consideration, the Board concurs with the Nominating Committee's views that Mr Ho, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience, independence and commitment in the discharge of his duties as a Director. Mr Ho's decades of experience in auditing, accounting and business consulting, gained previously at a "big four" professional services firm, and particularly with advising large companies and government organisations in China and Hong Kong SAR, will enable him to provide valuable insights and contributions to the Board.	After due consideration, the Board concurs with the Nominating Committee's views that Mr Lee, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience, independence and commitment in the discharge of his duties as a Director. Mr Lee's legal expertise and extensive experience at one of the largest and leading law firms in Singapore, coupled with his appointment as a Senior Counsel and past appointment as a Judicial Commissioner of the Singapore High Court, will augment the core competencies of the Board.	After due consideration, the Board concurs with the Nominating Committee's views that Ms Wong, if re-elected, will continue to provide valuable insights and contributions to the Board, given her skills, experience, independence and commitment in the discharge of her duties as a Director. Ms Wong's decades of experience in the banking and finance industry, gained as a Board Director and previously as a Senior Management member of leading financial institutions, will enable her to make valuable contributions to the Board. She will also enhance the diversity of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Independent and Non-Executive Director • Chairman of Board Audit Committee • Member of Board Executive Committee	• Independent and Non-Executive Director • Chairman of Board Safety and Risk Committee • Member of Board Audit Committee	• Independent and Non-Executive Director • Member of Board Nominating Committee • Member of Board Safety and Risk Committee	• Independent and Non-Executive Director • Member of Board Audit Committee

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gautam Banerjee	Dominic Ho Chiu Fai	Lee Kim Shin	Jeanette Wong Kai Yuan
Professional Qualifications	• Bachelor of Science in Accounting and Financial Analysis *University of Warwick* • Fellow of the Institute of Chartered Accountants *England and Wales* • Fellow of the Institute of Chartered Accountants *Singapore*	• Bachelor of Business Administration and Master of Science *University of Houston*	• Bachelor of Laws (Honours) *National University of Singapore*	• Bachelor of Business Administration *National University of Singapore* • Master of Business Administration *University of Chicago*
Working experience and occupation(s) during the past 10 years	Mr Banerjee is a Senior Managing Director of Blackstone Group and the Chairman of Blackstone Singapore. He was with a professional services firm, PricewaterhouseCoopers ("PwC") Singapore, for over 30 years, including as its Executive Chairman for Singapore and in various leadership positions within the firm in India and the Asia Pacific region. Mr Banerjee retired from PwC Singapore on 31 December 2012.	Mr Ho is the Chairman of DBS Bank (China) Limited. He began his career as an auditor with KPMG in 1975 in the US city of Houston, covering a wide range of industries. He retired in 2007 as Co-Chairman of KPMG, China and Hong Kong. During his career with KPMG, Mr Ho was regarded as its China business specialist. He advised on China's offshore oil industry, participated in the formation of China's taxation system, was involved in initial public offerings (IPOs) of Chinese companies and assisted foreign companies with their investments in China. In the 1990s, he was commissioned by the Chinese Government to lead a team to perform a feasibility study of the Chinese aviation industry aimed at restructuring it ahead of the launch of airline IPOs.	Mr Lee is a lawyer and a Partner of Allen & Gledhill LLP. He has been with Allen & Gledhill for more than 30 years, with six years spent as its Managing Partner. Mr Lee served as a Judicial Commissioner of the High Court of Singapore for one year in 2014, and was appointed Senior Counsel in January 2015.	Ms Wong has over 35 years of experience in financial services. Ms Wong retired from DBS Bank on 1 March 2019. Until her retirement, Ms Wong was the Group Executive responsible for the Institutional Banking Group which encompassed Corporate Banking, Global Transaction Services, Strategic Advisory and Mergers and Acquisitions. From 2003 to 2008, Ms Wong was the Chief Financial Officer of the DBS Group.
Shareholding interest in Singapore Airlines Limited and its subsidiaries	36,550 Ordinary Shares of Singapore Airlines Limited	31,900 Ordinary Shares of Singapore Airlines Limited	19,800 Ordinary Shares of Singapore Airlines Limited	16,500 Ordinary Shares and S$19,470 principal amount of Mandatory Convertible Bonds of Singapore Airlines Limited (held jointly with spouse)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gautam Banerjee	Dominic Ho Chiu Fai	Lee Kim Shin	Jeanette Wong Kai Yuan
Any relationship (including immediate family relationships) with any existing director, existing executive officer, Singapore Airlines Limited and/ or substantial shareholder of Singapore Airlines Limited or of any of its principal subsidiaries	No	No	No	No
Conflict of interests (including any competing business)	No	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to Singapore Airlines Limited	Yes	Yes	Yes	Yes
Other Principal Commitments including Directorships				
Past (for the last 5 years):	Other listed company: Director • The Indian Hotels Company Limited Other principal commitments: Chairman • Listings Advisory Committee, Singapore Exchange Vice Chairman • Singapore Business Federation Director • EDBI Pte Ltd • Singapore International Arbitration Centre • Singapore Legal Service Commission • The Blackstone Group (Australia) Pty Limited • The Blackstone Group (HK) Limited Member, Advisory Board • Nanyang Business School Member, Governing Board • Yale-NUS College Member • Council of the Board for the Teaching and Testing of South Asian Languages	Nil	Principal commitment: Member, Governing Council • Singapore Institute of Directors	Other listed company: Director • EssilorLuxottica, France Other principal commitments: Director • FFMC Holdings Pte. Ltd. • Fullerton Fund Management Company Ltd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gautam Banerjee	Dominic Ho Chiu Fai	Lee Kim Shin	Jeanette Wong Kai Yuan
Present:	Other listed companies: Director • Piramal Enterprises Limited, India • Singapore Telecommunications Limited Other principal commitments: Senior Managing Director • Blackstone Group Chairman • Blackstone Singapore Pte Ltd • Singapore Centre for Social Enterprise Ltd (raiSE) Advisor • Singapore Institute of International Affairs Director • GIC Private Limited • Blackstone Treasury Asia Pte Limited • BTO LT Hold Pty Ltd • Defence Science and Technology Agency • Blackstone Advisors India Private Limited Chair, Asia Advisory Board • The Conference Board (Singapore) Ltd Member • MAS Financial Centre Advisory Panel Pro-Chancellor • National University of Singapore Term Trustee, Board of Trustees • The Singapore Indian Development Association	Other listed company: Director • Hang Lung Properties Limited Other principal commitments: Chairman • DBS Bank (China) Limited Director • DBS Bank (Hong Kong) Limited • Underwriters Laboratories Inc.	Principal commitments: Partner • Allen & Gledhill LLP Chairman • Allen & Gledhill Regulatory & Compliance Pte Ltd Director • Eastern Development Holdings Pte Ltd • Eastern Development Private Limited • Epimetheus Limited • Goh Foundation Limited • Singapore Institute of Legal Education • Singapore Power Limited Member, Governing Board • Duke-NUS Medical School Singapore Member • Yellow Ribbon Fund	Other listed companies: Director • UBS Group AG • Prudential plc Other principal commitments: Director • UBS AG • PSA International Pte Ltd • Jurong Town Corporation Chair, Management Advisory Board • NUS Business School Member, Board of Trustees • National University of Singapore Member • Securities Industry Council Member, Global Advisory Board, Asia • University of Chicago Booth School of Business

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gautam Banerjee	Dominic Ho Chiu Fai	Lee Kim Shin	Jeanette Wong Kai Yuan
	Trustee • The Friends of the University of Warwick Singapore • The Stephen A. Schwarzman Scholars Trust			
Information required **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.**				
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gautam Banerjee	Dominic Ho Chiu Fai	Lee Kim Shin	Jeanette Wong Kai Yuan
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gautam Banerjee	Dominic Ho Chiu Fai	Lee Kim Shin	Jeanette Wong Kai Yuan
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-				
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Gautam Banerjee	Dominic Ho Chiu Fai	Lee Kim Shin	Jeanette Wong Kai Yuan
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No

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Proxy Form
Annual General Meeting
Singapore Airlines Limited
(Incorporated in the Republic of Singapore)
Company Registration No. 197200078R

IMPORTANT:

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of Annual General Meeting will not be sent to members. Instead, the Notice of Annual General Meeting will be sent to members by electronic means via publication on the Company's website at the URL http://www.singaporeair.com/shareholder and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of, or live at, the Annual General Meeting, addressing of substantial and relevant questions in advance of, or live at, the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 1 July 2021. This announcement may be accessed at the Company's website at the URL http://www.singaporeair.com/shareholder and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. **As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.**
4. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote must approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 July 2021, in order to enable their respective CPF Agent Banks or SRS Operators to submit proxy forms on their behalf not less than 72 hours before the time appointed for holding the Annual General Meeting.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 1 July 2021.
6. **Please read the notes overleaf which contain instructions on, *inter alia,* the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.**

*I/We, ______________________________ (Name), ____________________ (NRIC/Passport/Co Reg No.)

of ____ (Address)

being a *member/members of Singapore Airlines Limited (the "**Company**") hereby appoint the Chairman of the Meeting as *my/our proxy to attend, speak and vote for *me/us on *my/our behalf at the Forty-Ninth Annual General Meeting of the Company ("**Annual General Meeting**") to be convened and held by way of electronic means on Thursday, 29 July 2021 at 3.30 p.m. (Singapore time) and at any adjournment thereof in the following manner:

Ordinary Business

No.	Resolutions	For	Against	Abstain
1	Adoption of the Directors' Statement, Audited Financial Statements and Auditors' Report for the year ended 31 March 2021			
2	Re-election of Directors in accordance with Article 91:			
	(a) Mr Gautam Banerjee			
	(b) Mr Dominic Ho Chiu Fai			
	(c) Mr Lee Kim Shin			
3	Re-election of Ms Jeanette Wong Kai Yuan as Director in accordance with Article 97			
4	Approval of Directors' emoluments for the financial year ending 31 March 2022			
5	Re-appointment of Auditors and authority for the Directors to fix their remuneration			

Special Business

No.	Resolutions	For	Against	Abstain
6	Authority for Directors to issue shares and to make or grant instruments convertible into shares pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore			
7	Authority for Directors to grant awards, and to allot and issue shares, pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014			
8	Renewal of the IPT Mandate			
9	Renewal of the Share Buy Back Mandate			

NOTE: Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with a tick (✓) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with a tick (✓) in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

* Delete accordingly

Dated this ________ day of ______________ 2021.

Total Number of Shares Held:	

____

Signature(s) of Member(s) or Common Seal

Important: Please read notes on the reverse side

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3rd Fold and seal here. Do not staple

Notes:

1. If a member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the member.

2. **As a precautionary measure due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** This proxy form may be accessed at the Company's website at the URL http://www.singaporeair.com/shareholder and the SGX website at the URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote must approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 16 July 2021**, in order to enable their respective CPF Agent Banks or SRS Operators to submit proxy forms on their behalf not less than 72 hours before the time appointed for holding the Annual General Meeting.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at GPE@mncsingapore.com,

   in either case not less than 72 hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

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**Postage will be paid by addressee.
For posting in Singapore only.**

**BUSINESS REPLY SERVICE
PERMIT NO. 04910**

Singapore Airlines Limited
c/o M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

1st Fold

CORPORATE DATA

BOARD OF DIRECTORS

Chairman	Peter Seah Lim Huat
Members	Goh Choon Phong *(Chief Executive Officer)*
	Gautam Banerjee
	Simon Cheong Sae Peng
	David John Gledhill
	Goh Swee Chen
	Dominic Ho Chiu Fai
	Hsieh Tsun-yan
	Lee Kim Shin
	Jeanette Wong Kai Yuan *(from 1 June 2021)*

EXECUTIVE MANAGEMENT

Head Office

Goh Choon Phong
Chief Executive Officer

Lee Lik Hsin
Executive Vice President Commercial (from 1 April 2020)

Tan Kai Ping
Executive Vice President Finance & Strategy (from 1 April 2020) and Chief Financial Officer (from 31 May 2021)

Mak Swee Wah
Executive Vice President Operations (from 1 April 2020)

Tan Pee Teck
Senior Vice President Cabin Crew

Chin Yau Seng
Senior Vice President Cargo

Lee Wen Fen
Senior Vice President Corporate Planning

Yeoh Phee Teik
Senior Vice President Customer Experience

Marvin Tan Meng Hung
Senior Vice President Customer Services & Operations

Lau Hwa Peng
Senior Vice President Engineering

Stephen Barnes
Senior Vice President Finance (until 31 May 2021)

Quay Chew Eng
Senior Vice President Flight Operations

Vanessa Ng Wee Leng
Senior Vice President Human Resources

George Wang Wei Jun
Senior Vice President Information Technology

Tan Jo-Ann
Senior Vice President Marketing Planning (from 1 April 2021)

Overseas Regions

Joey Seow Eng Wan
Regional Vice President Americas

Lee Sek Eng
Regional Vice President Europe

Tan Tiow Kor
Regional Vice President North Asia

Lim Wee Kok
Regional Vice President South East Asia

Philip Goh Ser Miang
Regional Vice President South West Pacific (until 20 April 2021)

Louis Leonard Arul
Regional Vice President South West Pacific (from 21 April 2021)

David Lau Tiang Meng
Regional Vice President West Asia & Africa

BOARD COMMITTEES

Board Executive Committee

Chairman	Peter Seah Lim Huat
Members	Goh Choon Phong
	Gautam Banerjee
	Hsieh Tsun-yan

Board Audit Committee

Chairman	Gautam Banerjee
Members	Goh Swee Chen
	Hsieh Tsun-yan
	Dominic Ho Chiu Fai
	Jeanette Wong Kai Yuan *(from 1 June 2021)*

Board Compensation and Industrial Relations Committee

Chairman	Peter Seah Lim Huat
Members	Simon Cheong Sae Peng
	Hsieh Tsun-yan

Board Nominating Committee

Chairman	Peter Seah Lim Huat
Members	Goh Swee Chen
	Lee Kim Shin

Board Safety and Risk Committee

Chairman	Dominic Ho Chiu Fai
Members	Peter Seah Lim Huat
	David John Gledhill
	Lee Kim Shin

Customer Experience, Technology and Sustainability Committee

Chairman	Simon Cheong Sae Peng
Members	Goh Choon Phong
	David John Gledhill
	Goh Swee Chen

Company Secretary	Brenton Wu Ming-Kaye
Share Registrar	M & C Services Private Limited 112 Robinson Road #05-01 Singapore 068902
Auditors	KPMG LLP Public Accountants and Chartered Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
Audit Partner	Malcolm Ramsay *(from the audit of the financial statements for the year ended 31 March 2018)*
Registered Office	Airline House 25 Airline Road Singapore 819829

SENIOR MANAGEMENT, MAJOR SUBSIDIARIES

Ng Chin Hwee
Chief Executive Officer
SIA Engineering Company Limited
(from 1 April 2020)

Campbell David McGregor Wilson
Chief Executive Officer
Budget Aviation Holdings Pte. Ltd.
(from 1 April 2020)

Foo Chai Woo
Chief Executive
SilkAir (Singapore) Private Limited

FINANCIAL CALENDAR

- **31 March 2021**
  Financial Year End
- **19 May 2021**
  Announcement of FY2020/21 Full Year Results
- **1 July 2021**
  Publication of Annual Report and Letter to Shareholders
- **29 July 2021**
  Annual General Meeting
- **29 July 2021**
  Announcement of FY2021/22 First Quarter Business Updates
- **11 November 2021**
  Announcement of FY2021/22 Second Quarter and Half-Year Results

SINGAPORE AIRLINES LIMITED
Singapore Company Reg. No.: 197200078R
Airline House
25 Airline Road
Singapore 819829

COMPANY SECRETARY
Brenton Wu
Tel: +65 6541 5314
Fax: +65 6546 7469
Email: brenton_wu@singaporeair.com.sg

INVESTOR RELATIONS
Tel: +65 6541 4885
Email: investor_relations@singaporeair.com.sg

PUBLIC AFFAIRS
Tel: +65 6541 5880
Email: public_affairs@singaporeair.com.sg

A STAR ALLIANCE MEMBER

www.singaporeair.com