

Financial Statements

Contents

02	Directors' Statement
04	Independent Auditor's Report
09	Consolidated Income Statement
10	Consolidated Statement of Comprehensive Income
11	Balance Sheets
12	Consolidated Statement of Changes in Equity
13	Consolidated Statement of Cash Flows
15	Notes to the Financial Statements

Directors' Statement

For The Financial Year Ended 31 March 2023

The directors present their statement to the member together with the audited financial statements of the Group for the financial year ended 31 March 2023 and the balance sheet of the Company as at 31 March 2023.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 9 to 76 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; 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.

DIRECTORS

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

Mr Tan Gee Paw	Chairman
Mr Lee Seow Hiang	Chief Executive Officer
Mr Abdul Wahab Bin Mohamed Yusoff	
Mr Chia Song Hwee	
Mrs Chng Sok Hui	
Mr Kelvin Fan Sui Siong	
Mr Kee Teck Koon	
Ms Kwa Kim Li	
Mr Mark Yeo	
Mr Ng Chee Khern	
Mrs Tan Ching Yee	
Mr Tan Kong Yam	
Mr Titus Lee Huisheng	(Alternate director to Mrs Tan Ching Yee)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations.

Directors' Statement

For The Financial Year Ended 31 March 2023

SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the Board of Directors

Tan Gee Paw
Chairman

Lee Seow Hiang
Chief Executive Officer

1 June 2023

Independent Auditor's Report

To The Member Of Changi Airport Group (Singapore) Pte. Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Changi Airport Group (Singapore) Pte. Ltd. (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated income statement of the Group for the financial year ended 31 March 2023;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 March 2023;
- the balance sheets of the Company and the Group as at 31 March 2023;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the 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.

Independent Auditor's Report

To The Member Of Changi Airport Group (Singapore) Pte. Ltd.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2023. 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
Property, Plant and Equipment ("PPE") The Group invests significantly into its capital infrastructure assets to support the growth and ongoing operations of the Singapore Changi Airport and Singapore as an air hub. To secure Singapore's air hub status and to ensure its continued competitiveness and relevance, the Group commenced the Changi East Development ("CE") project in 2014. Due to the COVID-19 pandemic, the development of Terminal 5 was temporarily paused in 2020 and construction is now expected to start in 2025. Works on other areas of the CE project continued during the financial year. The Group's total additions to PPE, including those relating to CE, amounted to \$1,073 million during the financial year (Note 12). We focused our audit on the accounting for additions to PPE for CE as the additions are material to the financial statements of the Group. At the end of the financial year, management estimates the progress of construction or development works that have not been billed by suppliers and contractors and accrues for the unbilled PPE under construction. Estimates of percentage of completion of construction are made based on certified progress reports from the suppliers and contractors.	<p>We performed a walkthrough of the procurement and fixed assets capitalisation cycle and evaluated the design, implementation and operating effectiveness of key internal controls over payments, accruals and capitalisation of PPE additions.</p> <p>In respect of the additions to PPE arising from suppliers and contractors, we selected samples of the additions and verified that they were appropriately supported by the relevant supplier invoices. For accrued balances, we sighted the relevant certified progress reports to support the appropriateness of the accrued amounts.</p> <p>We also checked that payments of invoices and progress reports used for accrual of unbilled PPE construction costs were approved by management in accordance with the Delegation of Authority set out by the Board.</p>

Independent Auditor's Report

To The Member Of Changi Airport Group (Singapore) Pte. Ltd.

Our Audit Approach (continued)

Key Audit Matter (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Property, Plant and Equipment ("PPE") (continued) Employee compensation was also capitalised as PPE. Management reviews the job scopes of employees and allocation of costs to capitalise as part of PPE on a periodic basis to ensure that only employee compensation directly attributable to CE were capitalised. Estimation of construction progress, recording of accruals, capitalisation of internal costs also involve estimation and judgement.	 For capitalised employee compensation, we selected samples to verify that only employee compensation for employees working directly attributable to PPE for construction or development works were capitalised. We also assessed management's internal cost allocation to the relevant assets for appropriateness. We also reviewed the adequacy and appropriateness of disclosures in the financial statements in respect of the Group's PPE balances.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are 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 auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Independent Auditor's Report

To The Member Of Changi Airport Group (Singapore) Pte. Ltd.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report

To The Member Of Changi Airport Group (Singapore) Pte. Ltd.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Kok Moi Lre.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 1 June 2023

Consolidated Income Statement

For The Financial Year Ended 31 March 2023

		Group	
		2023	2022
	Note	\$'000	\$'000
Revenue	4	1,882,523	944,140
Expenses			
- Depreciation and amortisation		(704,058)	(715,784)
- Maintenance of land, buildings and equipment		(395,531)	(210,779)
- Services and security related expenses		(200,811)	(156,093)
- Employee compensation	5	(293,809)	(234,914)
- CAAS services and licence fees		(114,984)	(5,846)
- Property tax		(47,283)	(26,296)
- Other operating expenses		(99,927)	(176,142)
Total expenses		(1,856,403)	(1,525,854)
Operating profit/(loss)		26,120	(581,714)
Finance expenses	6	(72,361)	(259,107)
Other income and losses - net	7	118,064	(175,935)
Share of results of associated companies and joint ventures	16	(43,148)	21,515
Profit/(loss) before tax		28,675	(995,241)
Income tax (expense)/credit	8	(19,419)	48,112
Profit/(loss) after tax		9,256	(947,129)
Profit/(loss) after tax attributable to:			
Equity holder of the Company		32,630	(837,626)
Non-controlling interests		(23,374)	(109,503)
		9,256	(947,129)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For The Financial Year Ended 31 March 2023

	Group	
	2023	2022
	\$'000	\$'000
Profit/(loss) after tax	9,256	(947,129)
Other comprehensive income/(loss):		
<i>Items that will not be reclassified to income statement:</i>		
Currency translation losses arising on consolidation – Non-controlling interests	-	(623)
	-	(623)
<i>Items that may be reclassified subsequently to income statement:</i>		
Cash flow hedges		
– Fair value gains	9,595	10,495
– Reclassification	9,227	5,515
– Share of fair value losses from an associated company	-	(2,875)
Share of other comprehensive income of associated company		
– Reclassification	-	147
Currency translation differences arising on consolidation		
– Losses	(977)	(28,443)
– Reclassification	(6,005)	162,467
	11,840	147,306
Other comprehensive income, net of tax	11,840	146,683
Total comprehensive income/(loss)	21,096	(800,446)
Total comprehensive income/(loss) attributable to:		
Equity holder of the Company	40,968	(698,165)
Non-controlling interests	(19,872)	(102,281)
	21,096	(800,446)

The accompanying notes form an integral part of these financial statements.

Balance Sheets

As At 31 March 2023

		Group		Company	
	Note	2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	9	1,594,954	1,350,855	1,541,577	1,237,569
Trade and other receivables	10	275,166	195,060	261,569	186,600
Other current assets	11	88,315	195,428	85,105	186,568
Other investments	18	466,833	537,245	428,767	495,537
Inventories		8,267	9,942	5,454	6,453
		2,433,535	2,288,530	2,322,472	2,112,727
Non-current assets					
Trade and other receivables	10	-	-	185,024	181,384
Other non-current assets	11	53,664	58,049	79,747	84,108
Property, plant and equipment	12	8,494,751	8,033,935	8,465,190	7,996,205
Intangible assets	13	6,772	5,228	-	-
Right-of-use assets	14	979,906	1,030,960	979,906	1,030,845
Subsidiaries	15	-	-	333,681	333,681
Associated companies and joint ventures	16	22,250	27,297	13,614	13,614
Investment property	17	1,217,843	1,269,984	-	-
Other investments	18	67,102	17,937	59,890	13,855
Derivatives	23	13,592	4,981	-	-
Deferred tax assets	19	23,950	13,305	-	-
		10,879,830	10,461,676	10,117,052	9,653,692
Total assets		13,313,365	12,750,206	12,439,524	11,766,419
LIABILITIES					
Current liabilities					
Trade and other payables	20	900,108	805,448	1,069,785	922,710
Lease liabilities	22	76,378	76,940	76,378	76,825
Derivatives	23	227	-	227	-
Deferred income	24	75,444	79,624	62,919	69,414
Current tax liabilities		26,160	62,695	13,851	50,441
		1,078,317	1,024,707	1,223,160	1,119,390
Non-current liabilities					
Trade and other payables	20	183,146	182,720	138,842	157,444
Loans and borrowings	21	1,971,824	2,016,313	750,000	750,000
Lease liabilities	22	972,300	1,007,670	972,300	1,007,670
Derivatives	23	100,000	100,000	-	-
Deferred income	24	2,774,009	2,265,297	2,774,009	2,265,297
Deferred tax liabilities	19	90,792	31,618	90,792	31,618
		6,092,071	5,603,618	4,725,943	4,212,029
Total liabilities		7,170,388	6,628,325	5,949,103	5,331,419
NET ASSETS		6,142,977	6,121,881	6,490,421	6,435,000
EQUITY					
Share capital and reserves	25	3,820,758	3,811,576	3,789,608	3,788,764
Retained profits	26	2,438,232	2,406,446	2,700,813	2,646,236
		6,258,990	6,218,022	6,490,421	6,435,000
Non-controlling interests		(116,013)	(96,141)	-	-
Total equity		6,142,977	6,121,881	6,490,421	6,435,000

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 March 2022

	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Hedging and other reserves	Currency translation reserve	Sinking fund reserve	Retained profits	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023								
Beginning of financial year	3,280,387	18,295	4,517	508,377	2,406,446	6,218,022	(96,141)	6,121,881
Profit/(loss) for the year	-	-	-	-	32,630	32,630	(23,374)	9,256
Other comprehensive income	-	15,320	(6,982)	-	-	8,338	3,502	11,840
Total comprehensive income	-	15,320	(6,982)	-	32,630	40,968	(19,872)	21,096
Sinking fund contribution	-	-	-	844	(844)	-	-	-
Total other movements in equity	-	-	-	844	(844)	-	-	-
End of financial year	3,280,387	33,615	(2,465)	509,221	2,438,232	6,258,990	(116,013)	6,142,977
2022								
Beginning of financial year	3,280,387	12,858	(129,507)	507,534	3,244,915	6,916,187	(84,479)	6,831,708
Loss for the year	-	-	-	-	(837,626)	(837,626)	(109,503)	(947,129)
Other comprehensive income	-	5,437	134,024	-	-	139,461	7,222	146,683
Total comprehensive income	-	5,437	134,024	-	(837,626)	(698,165)	(102,281)	(800,446)
Disposal of controlling interest in subsidiary (Note 15)	-	-	-	-	-	-	90,619	90,619
Sinking fund contribution	-	-	-	843	(843)	-	-	-
Total transactions with owners and other movements in equity	-	-	-	843	(843)	-	90,619	90,619
End of financial year	3,280,387	18,295	4,517	508,377	2,406,446	6,218,022	(96,141)	6,121,881

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For The Financial Year Ended 31 March 2023

	Note	2023	2022
		\$'000	\$'000
Cash flows from operating activities			
Profit/(loss) after tax		9,256	(947,129)
Adjustments for:			
– Income tax expense/(credit)		19,419	(48,112)
– Depreciation and amortisation		704,058	715,784
– Government grant		(46,605)	(92,409)
– Net loss on disposal of property, plant and equipment		393	3,544
– Impairment of intangible assets		63	12,176
– Gain on disposal of an associated company		(46,249)	–
– Loss on deconsolidation of a subsidiary		–	127,963
– Write-down of investment in joint venture		–	200,572
– Write-back of impairment of trade and other receivables		(217)	(164)
– Share of results of associated companies and joint ventures		43,148	(21,515)
– Unrealised currency translation differences		(17)	(8,964)
– Loss on financial assets held at fair value		12,399	15,905
– Loss on fair value of derivative instrument		227	–
– Amortisation of deferred revenue		(3,981)	(4,178)
– Finance expenses		72,361	259,107
– Interest income		(33,894)	(26,281)
– Dividend income		(553)	(552)
		729,808	185,747
Changes in working capital			
– Inventories		1,675	3,609
– Trade and other receivables		(79,889)	(86,329)
– Other assets		(47,403)	(74,320)
– Trade and other payables		84,746	(63,620)
Cash provided by/(used in) operations		688,937	(34,913)
Interest received		17,421	27,981
Government grants received		124,423	48,976
Income tax paid		(8,525)	(79,741)
Net cash provided by/(used in) operating activities		822,256	(37,697)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For The Financial Year Ended 31 March 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from investing activities			
Additions to property, plant and equipment and capital work-in-progress		(1,054,476)	(950,582)
Additions to investment property and investment property under development		(16,916)	(5,463)
Additions to intangible assets		(3,164)	(11,929)
Proceeds from disposal of property, plant and equipment and intangible assets		163	23
Proceeds from disposal of an associated company		10,001	-
Investment in associated companies and joint ventures		(386)	(680)
Dividends received		3,965	56,496
Placement in treasury bills		(30,887)	-
Purchase of financial assets at amortised cost		(50,000)	-
Purchase of financial assets at fair value through profit or loss		(7,966)	(468,986)
Redemption of financial assets at fair value through profit or loss		97,702	53,927
Net cash deconsolidated on loss of control of subsidiary	15	-	(2,123)
Net cash used in investing activities		(1,051,964)	(1,329,317)
Cash flow from financing activities			
Proceeds from loans and borrowings, net of transactions costs		-	750,000
Repayment of loans and borrowings		(45,000)	(306,004)
Interest paid		(82,691)	(68,238)
Payment of lease principal		(37,868)	(37,289)
Release of restricted bank deposits		960	-
Government grants received		639,650	747,269
Net cash provided by financing activities		475,051	1,085,738
Net increase/(decrease) in cash and cash equivalents		245,343	(281,276)
Cash and cash equivalents at beginning of financial year		1,349,895	1,631,109
Effects of currency translation on cash and cash equivalents		(284)	62
Cash and cash equivalents at end of financial year	9	1,594,954	1,349,895

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Changi Airport Group (Singapore) Pte. Ltd. (the “Company”) is incorporated in the Republic of Singapore. The address of its registered office is 60 Airport Boulevard #046-037, Changi Airport Terminal 2, Singapore 819643.

The principal activities of the Company are to own, develop, operate, manage and provide airport and airport-related facilities and services.

The principal activities of its subsidiaries, associated companies and joint ventures are disclosed in Note 32.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with SFRS(I) under the historical cost convention, except as disclosed in the accounting policies below.

Interpretations and amendments to published standards effective in 2022

On 1 April 2022, the Group adopted the new or amended SFRS(I) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I).

The adoption of these new or amended SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating revenue transactions within the Group.

The Group recognises revenue when it transfers control over a good or service to a customer.

(a) Airport service fees

Airport service fees comprise landing, parking, and aerobridge fees, and passenger service and security fees. Revenue is recognised in the accounting period in which the related airport services have been rendered.

(b) Airport concessions and rental income

Airport concessions relate to rental income from retail tenants and are computed based on the higher of percentage of sales or specified minimum guaranteed sums. The rental income derived from rental of property is recognised on a straight-line basis over the period of the lease.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue (continued)

(c) Other airport services

Other airport services mainly comprise franchise fees, utility charges, consultancy fees, carpark revenue and other sundry income.

(d) Interest income

Interest income is recognised using the effective interest method.

2.3 Government grants

Government grants that compensate the Group for expenses incurred are recognised in profit and loss as other income on a systematic basis in the same periods in which the expenses are recognised.

Government grants relating to assets are recognised initially as deferred grants at fair value when there is reasonable assurance that the grants will be received and the Group will comply with the conditions associated with the grant. The deferred grants are subsequently amortised to profit or loss on a systematic basis over the periods in which the assets are put to use.

2.4 Group accounting

(a) Subsidiaries

(i) *Consolidation*

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of subsidiaries' net results of operations and its net assets which is attributable to the interests that are not owned directly or indirectly by the equity holder of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in the subsidiaries, even if this results in the non-controlling interests having a deficit balance.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as a bargain purchase in profit or loss on the acquisition date.

(iii) *Disposals*

When a change in the Group's interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.9 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holder of the Company.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control. Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

(i) *Acquisitions*

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, liabilities incurred or assumed at the date of exchange and equity instruments issued, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses in the income statement, and its share of movements in other comprehensive income in the statement of comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments.

When the Group's share of losses in an associated company or joint venture is equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures.

Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(iii) *Disposals*

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value and any proceeds on partial disposal is recognised in profit or loss.

Please refer to Note 2.9 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.5 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.8 on borrowing costs).

For work-in-progress, at the end of each reporting period, management estimates the progress of construction or development works that had not been billed by suppliers and contractors and accrued for these unbilled capital expenditure and development costs. Estimates of percentage of completion of construction are made based on certified progress reports from the suppliers and contractors.

Cost also includes capitalised employee compensation. Management reviews the allocation of costs to be capitalised on a periodic basis to ensure that only employee compensation directly attributable to the development of construction of property, plant or equipment are capitalised.

(b) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (continued)

(c) Depreciation

Self-constructed property, plant and equipment are capitalised initially as work-in-progress and transferred to the relevant asset category when they are ready for use. No depreciation is recognised on work-in-progress.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives as follows:

	Useful lives
Runways, taxiways and others	30 years
Buildings	5 to 50 years
Plant and equipment	2 to 15 years
Vehicles and vessels	5 to 10 years
Equipment, furniture and fittings	1 to 10 years
Capital improvements	5 to 20 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are prospectively recognised in profit or loss when the changes arise.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.6 Intangible assets

(a) Computer software

Acquired computer software licenses are amortised using the straight-line method over their estimated useful lives.

(b) Capitalised costs

Capitalised costs are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (continued)

(c) Infrastructure

Under the concession agreement that an investee of the Company entered into with the Brazilian national agency of civil aviation, Agência Nacional de Aviação Civil ("ANAC" or "Concession Authority"), the investee, as the operator, is required to build or improve the infrastructure used to provide the public service. Such infrastructure acquired during the concession period is to be returned to the Concession Authority at the end of the concession period in consideration for the rights to charge users for the service provided as operator. The infrastructure is amortised based on the economic benefit consumption curve (passenger demand curve) expected over the term of the concession of the airport. The economic benefit consumption curve is reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise. Details of the concession arrangement can be found in Note 2.6(d).

(d) Concession right

Concession right pertains to the right to expand, maintain and operate Antonio Carlos Jobim International ("Galeão") Airport in Rio de Janeiro, Brazil, for a period of 25 years starting from 2 April 2014. The concession right is recognised at present value calculated using a discount rate which is equivalent to the market rate with interest that is comparable with the nature, term and risks related to the concession charges. The concession right is amortised based on the economic benefit consumption curve (passenger demand curve) expected over the term of the concession, limited to the maximum capacity of each investment phase. The economic benefit consumption curve is reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Investment phases originate from triggers tied to the passenger demand curve for the purpose of maintaining the level of service required by the Concession Authority.

The finance charges arising from the adjustment of the concession are capitalised according to the changes of the investment phases until termination.

2.7 Investment property

Investment property is held for long-term rental yields and/or capital appreciation and is not occupied substantially by the Group. Investment properties include properties that are being constructed or developed for future use as investment properties.

(a) Measurement

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Costs of self-constructed investment properties includes the costs of construction and any other costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management, as well as capitalised borrowing costs (refer to Note 2.8 on borrowing costs).

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Investment property (continued)

(b) Subsequent expenditure

Subsequent expenditure relating to investment property that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(c) Depreciation

Self-constructed investment properties are capitalised initially as investment property under development and transferred to investment properties when they are ready for use. No depreciation is recognised on investment property under development.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their useful lives as follows:

Useful lives	
Building	50 years
Plant and equipment	5 to 15 years
Equipment, furniture and fixtures	3 years
Attractions	3 to 30 years
Capital improvements	15 to 20 years

The residual values, estimated useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are prospectively recognised in profit or loss when the changes arise.

(d) Disposal

On disposal of an item of investment property, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for costs that are directly attributable to the construction or development of investment property or property, plant and equipment ("properties"). This includes costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

2.9 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses on the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investment are recognised in profit or loss.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of non-financial assets

Property, plant and equipment

Intangible assets

Right-of-use assets

Investment property

Investments in subsidiaries, associated companies and joint ventures

Property, plant and equipment, intangible assets, right-of-use assets, investment property and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.11 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets which are debt instruments are reclassified when, and only when, the Group changes its business model for managing them.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (continued)

(a) Classification and measurement (continued)

At initial recognition

Financial assets are initially recognised at fair value plus transaction costs, except for financial assets at FVPL which are recognised at fair value. Transaction costs of financial assets at FVPL are expensed in profit or loss.

At subsequent measurement

(i) *Debt instruments*

Debt instruments comprise mainly cash and cash equivalents, trade and other receivables, and other investments.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- *Debt instruments at amortised cost*

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

- *Debt instruments at FVPL*

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income are classified as FVPL. Movements in fair values and interest income are recognised in profit or loss in the period in which they arise.

(ii) *Equity instruments*

Equity instruments comprise investments in unquoted instruments.

Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise, except for certain equity instruments which are not held for trading, where the Group may irrevocably elect to present fair value changes in other comprehensive income. This election is made on an investment-by-investment basis.

Dividends from these investments are recognised in profit and loss in the period in which the dividend arises.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (continued)

(b) Impairment

The Group assesses expected credit losses (“ECLs”) associated with its debt financial assets at amortised cost on a forward-looking basis.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group applies the general approach of 12-month expected credit losses at initial recognition for all other financial assets.

(c) Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and the sale proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and the sale proceeds would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.12 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities unless there is an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in a normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as a cash flow hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in cash flows of the hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 23. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Cash flow hedge – Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to limit its interest rate exposure to the fixed rates as specified in these contracts.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve, and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in the profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

Application of SFRS(I) 9 'Phase 2 amendments' arising from interest rate benchmark reform

The Group's cash flow hedges were referenced to the Singapore Dollar Swap Offered Rate ("SOR") benchmark. During the financial year, as part of the global reform of interest rate benchmarks, the Group has transited its SOR-linked bank borrowings (Note 21) and interest rate swaps (Note 23) to Singapore Overnight Rate Average ("SORA"), and applied the 'Phase 2' temporary exceptions and practical expedient.

The temporary exceptions allow the Group to continue its hedge relationships and maintain the accumulated cash flow hedge reserve on the date of transition, despite the change in benchmark rate. The practical expedient allows the Group to update the effective interest rate of the affected financial instruments rather than recognise an immediate gain or loss, despite the change in contractual cash flows. The temporary exceptions and practical expedient only apply to financial instruments whose transition arose as a direct consequence of the global reform of interest rate benchmarks and are economically equivalent.

The transition from SOR to SORA has no material effect on the amounts reported for the current and prior financial year.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Fair value estimation of financial instruments

The fair values of financial instruments traded in active markets (such as exchange-traded, over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of the swaps are based on valuation provided by reputable financial institutions. The fair values of interest rate swaps are calculated as the present value of estimated future cash flows discounted at actively quoted interest rates.

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

2.16 Leases

(i) Where the Group is the lessee

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. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received, plus an estimate of necessary costs to dismantle, remove or restore the underlying asset as required by the terms and conditions of the lease. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The useful lives of right-of-use assets are as follows:

Useful lives	
Land	2 to 52 years
Plant and equipment	18 to 27 months
Warehouse space	2 years

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Leases (continued)

(i) Where the Group is the lessee (continued)

Lease liabilities

The initial measurement of a lease liability is the present value of the lease payments discounted using the rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments include fixed payments, the exercise price of a purchase option if the Group is reasonably certain to exercise the option.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset when there is a change in the Group's assessment of whether it will exercise an extension or purchase option, or there are modifications in the scope or the consideration of the lease that was not part of the original terms.

Short-term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Application of practical expedient for Covid-19-related rent concessions

The Group has elected to apply the practical expedient relating to Covid-19-related rent concessions. As a result of this election, all Covid-19-related rent concessions were recognised directly in profit or loss.

(ii) Where the Group is the lessor

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

Deferred revenue relates to total lease payments received in advance from lessees who have entered into operating leases with the Group. The deferred revenue is recognised in profit or loss on a straight-line basis over the lease term.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Inventories

Inventories comprise mainly stock items used for maintenance and repair purposes, as well as goods held for sale. These are carried at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes all costs in bringing each stock item to its present location and condition.

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans are plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.21 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("SGD"), which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value, net of restricted balances.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.24 Dividends to Company's shareholder

Dividends to the Company's shareholder are recognised when the dividends are approved for payment.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the current financial year, there were no critical accounting estimates and judgements made in applying the accounting policies of the Group which may have significant effects on the amounts recognised in the financial statements.

4. REVENUE

	2023	2022
	\$'000	\$'000
Airport service fees	877,944	289,979
Airport concessions and rental income	703,729	347,741
Other airport services	208,787	255,202
Other revenue	92,063	51,218
	1,882,523	944,140

The variable rent, computed based on percentage of sales, recognised within the Airport concessions and rental income amounted to \$75,711,000 (2022: \$18,767,000).

Rebates provided to airport concessionaires and tenants have been presented net within airport concessions and rental income. These include amounts granted by the government.

Other revenue comprises mainly sale of goods and services.

5. EMPLOYEE COMPENSATION

	2023	2022
	\$'000	\$'000
Wages, salaries and other benefits	268,754	213,795
Employer's contribution to Central Provident Fund	25,055	21,119
	293,809	234,914

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

6. FINANCE EXPENSES

	2023	2022
	\$'000	\$'000
Interest expense on borrowings	28,787	48,598
Interest expense on lease liabilities	40,301	41,657
Interest expense on concession payable	-	165,805
Other finance expenses	3,273	3,047
	72,361	259,107

7. OTHER INCOME AND LOSSES - NET

	Note	2023	2022
		\$'000	\$'000
Interest income			
- Bank deposits		32,525	26,281
- Financial assets at amortised cost		1,370	-
Gain on disposal of an associated company	16	46,249	-
Gain on exchange differences		15,453	3,161
Loss on deconsolidation of a subsidiary	15	-	(127,963)
Write-down of investment in joint venture	16	-	(200,572)
Impairment of intangible assets	13	(63)	(12,176)
Government support	(i)	40,350	115,435
Others	(ii)	(17,820)	19,899
		118,064	(175,935)

(i) Government support

Included in government support were COVID-19 government grants, mainly relating to wage support grants, as well as annual ground rent rebates.

(ii) Others

"Others" included fair value gains or losses on investments, loss on disposal of property, plant and equipment, and other sundry items.

In the prior year, "Others" also included the write-back of contractual claims which arose due to delay and suspension in contracts as a consequence of COVID-19.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

8. INCOME TAX

Income tax expense/(credit)

	2023	2022
	\$'000	\$'000

Tax expense attributable to profit is made up of:

- Current income tax		
- Singapore	345	39
- Foreign	171	5,469
	516	5,508
- Deferred income tax (Note 19)	28,889	(53,438)
	29,405	(47,930)

(Over)/under provision in prior financial years

- Current income tax		
- Singapore	(28,162)	(5,677)
- Foreign	-	(5)
- Deferred income tax (Note 19)	18,176	5,500
	19,419	(48,112)

The tax on the Group's profit/(loss) before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2023	2022
	\$'000	\$'000

Profit/(loss) before tax	28,675	(995,241)
Exclude: Share of results of associated companies and joint ventures	43,148	(21,515)
Profit/(loss) before tax and share of results of associated companies and joint ventures	71,823	(1,016,756)
Tax calculated at tax rate of 17% (2022: 17%)	12,210	(172,849)
Effects of:		
- Expenses not deductible for tax purposes	32,272	92,624
- Income not subject to tax	(14,640)	(1,049)
- Tax incentives	(99)	(51)
- Deferred tax asset not recognised	1,403	83,181
- Utilisation of previously unrecognised tax losses	(1,403)	-
- Different tax rates in other countries	(91)	(52,065)
- Others	(247)	2,279
Tax expense/(credit)	29,405	(47,930)

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	62,800	181,854	32,534	83,069
Bank deposits	1,532,154	1,169,001	1,509,043	1,154,500
	1,594,954	1,350,855	1,541,577	1,237,569

In the previous financial year, bank deposits included an amount of \$960,000 that was not readily available for use by the Group.

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2023	2022
	\$'000	\$'000
Cash and cash equivalents (as above)	1,594,954	1,350,855
Less: Deposits held in trust for an associated company	-	(960)
Cash and cash equivalents per consolidated statement of cash flows	1,594,954	1,349,895

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Trade and other receivables	165,395	161,523	160,954	153,122
Accrued income	113,624	38,020	102,615	35,478
Less: Loss allowances	(3,853)	(4,483)	(2,000)	(2,000)
Net current trade and other receivables	275,166	195,060	261,569	186,600
Non-current				
Loans to subsidiaries	-	-	270,586	266,946
Less: Loss allowances	-	-	(85,562)	(85,562)
Net non-current trade and other receivables	-	-	185,024	181,384

As at 1 April 2021, the net current trade and other receivables of the Group and Company amounted to \$134,654,000 and \$94,971,000 respectively.

Loans to subsidiaries are unsecured and denominated in Singapore Dollars. The non-current loans to subsidiaries have no fixed terms of repayment. For the financial year ended 31 March 2023, the interest rate charged on the loan was 0% (2022: 0% to 3%).

In the previous financial year, loans to subsidiaries amounting to \$247,315,000 were converted into equity of those subsidiaries. Further details are disclosed in Note 15.

11. OTHER ASSETS

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Prepayments and deposits	12,674	12,295	10,387	5,703
Interest receivable	18,798	1,922	18,576	1,922
Grants receivable	56,142	161,942	56,142	161,942
Others	701	19,269	-	17,001
	88,315	195,428	85,105	186,568
Non-current				
Interest receivable	-	-	26,092	26,092
Grants receivable	53,656	58,016	53,655	58,016
Others	8	33	-	-
	53,664	58,049	79,747	84,108

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

12. PROPERTY, PLANT AND EQUIPMENT

	Runways, taxiways and others	Buildings	Plant and equipment	Vehicles and vessels	Office / other equipment, furniture and fittings	Capital improve- ments	Work-in- progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group								
As at 31 March 2023								
<u>Cost</u>								
Beginning of financial year	1,876,125	2,264,101	3,596,858	70,897	269,434	1,402,696	2,906,344	12,386,455
Currency translation differences	-	-	13	-	(9)	-	-	4
Additions	-	-	176	-	315	292	1,071,846	1,072,629
Transfer from work-in-progress	62,217	6,684	315,341	953	37,852	149,272	(572,319)	-
Reclassification	(99,424)	107,096	82,317	(133)	(13,307)	(76,534)	-	15
Disposals	-	(116)	(27,489)	(2,352)	(4,679)	(540)	-	(35,176)
Cost adjustments	-	(23)	-	-	-	-	-	(23)
End of financial year	1,838,918	2,377,742	3,967,216	69,365	289,606	1,475,186	3,405,871	13,423,904
<u>Accumulated depreciation</u>								
Beginning of financial year	363,711	684,161	2,046,058	41,404	227,873	989,313	-	4,352,520
Currency translation differences	-	-	(19)	-	(16)	-	-	(35)
Depreciation charge	72,749	89,243	300,512	4,796	32,754	111,234	-	611,288
Reclassification	5,034	63,963	(23,996)	(55)	(8,668)	(36,278)	-	-
Disposals	-	(59)	(27,206)	(2,326)	(4,508)	(521)	-	(34,620)
End of financial year	441,494	837,308	2,295,349	43,819	247,435	1,063,748	-	4,929,153
Net book value								
End of financial year	1,397,424	1,540,434	1,671,867	25,546	42,171	411,438	3,405,871	8,494,751
As at 31 March 2022								
<u>Cost</u>								
Beginning of financial year	1,866,341	2,195,085	3,488,015	65,025	272,784	1,347,255	2,136,407	11,370,912
Currency translation differences	-	-	15	44	243	(6)	-	296
Additions	-	-	165	-	335	95	1,088,932	1,089,527
Transfer from work-in-progress	19,458	95,376	135,631	6,114	19,834	41,219	(317,632)	-
Reclassification	(9,429)	(24,852)	9,975	(18)	4,333	19,971	(1,363)	(1,383)
Disposals	(245)	(1,508)	(35,881)	(106)	(26,856)	(5,838)	-	(70,434)
Cost adjustments	-	-	(284)	-	-	-	-	(284)
Deconsolidation of subsidiary (Note 15)	-	-	(778)	(162)	(1,239)	-	-	(2,179)
End of financial year	1,876,125	2,264,101	3,596,858	70,897	269,434	1,402,696	2,906,344	12,386,455
<u>Accumulated depreciation</u>								
Beginning of financial year	288,144	594,244	1,788,773	36,103	223,670	875,421	-	3,806,355
Currency translation differences	-	-	27	34	177	(3)	-	235
Depreciation charge	75,927	90,598	294,186	5,487	30,549	117,795	-	614,542
Reclassification	(317)	827	(3,462)	(2)	1,050	1,904	-	-
Disposals	(43)	(1,508)	(32,688)	(106)	(26,718)	(5,804)	-	(66,867)
Deconsolidation of subsidiary (Note 15)	-	-	(778)	(112)	(855)	-	-	(1,745)
End of financial year	363,711	684,161	2,046,058	41,404	227,873	989,313	-	4,352,520
Net book value								
End of financial year	1,512,414	1,579,940	1,550,800	29,493	41,561	413,383	2,906,344	8,033,935

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Runways, taxiways and others	Buildings	Plant and equipment	Vehicles and vessels	Office / other equipment, furniture and fittings	Capital improve- ments	Work-in- progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company								
As at 31 March 2023								
<u>Cost</u>								
Beginning of financial year	1,876,125	2,216,384	3,576,527	70,902	266,437	1,390,363	2,931,114	12,327,852
Additions	-	-	-	-	-	-	1,073,007	1,073,007
Transfer from work-in-progress	62,217	6,684	315,341	953	37,852	149,272	(572,319)	-
Reclassification	(99,424)	107,994	75,187	(133)	(16,356)	(67,268)	-	-
Disposals	-	(116)	(25,989)	(2,352)	(4,530)	(318)	-	(33,305)
End of financial year	1,838,918	2,330,946	3,941,066	69,370	283,403	1,472,049	3,431,802	13,367,554
<u>Accumulated depreciation</u>								
Beginning of financial year	363,711	681,172	2,035,174	41,410	225,029	985,151	-	4,331,647
Depreciation charge	72,749	91,283	294,286	4,796	29,903	110,519	-	603,536
Reclassification	5,034	61,027	(22,470)	(55)	(9,080)	(34,456)	-	-
Disposals	-	(59)	(25,717)	(2,326)	(4,399)	(318)	-	(32,819)
End of financial year	441,494	833,423	2,281,273	43,825	241,453	1,060,896	-	4,902,364
Net book value								
End of financial year	1,397,424	1,497,523	1,659,793	25,545	41,950	411,153	3,431,802	8,465,190
As at 31 March 2022								
<u>Cost</u>								
Beginning of financial year	1,866,341	2,147,368	3,466,383	64,912	268,996	1,334,963	2,157,032	11,305,995
Additions	-	-	-	-	-	-	1,091,714	1,091,714
Transfer from work-in-progress	19,458	95,376	135,631	6,114	19,834	41,219	(317,632)	-
Reclassification	(9,429)	(24,852)	9,995	(18)	4,333	19,971	-	-
Disposals	(245)	(1,508)	(35,482)	(106)	(26,726)	(5,790)	-	(69,857)
End of financial year	1,876,125	2,216,384	3,576,527	70,902	266,437	1,390,363	2,931,114	12,327,852
<u>Accumulated depreciation</u>								
Beginning of financial year	288,144	592,244	1,778,798	36,051	220,956	872,056	-	3,788,249
Depreciation charge	75,927	89,609	292,131	5,467	29,614	116,946	-	609,694
Reclassification	(317)	827	(3,462)	(2)	1,050	1,904	-	-
Disposals	(43)	(1,508)	(32,293)	(106)	(26,591)	(5,755)	-	(66,296)
End of financial year	363,711	681,172	2,035,174	41,410	225,029	985,151	-	4,331,647
Net book value								
End of financial year	1,512,414	1,535,212	1,541,353	29,492	41,408	405,212	2,931,114	7,996,205

Borrowing costs of \$13,100,000 (2022: \$10,300,000), with effective interest rates ranging from 1.49% to 1.88 % (2022: 1.49% to 1.88%) per annum, and employee compensation of \$46,572,000 (2022: \$40,028,000) were capitalised as cost of property, plant and equipment during the financial year for the Group and Company.

As part of the Group's annual review described in Note 2.5(c), the Group has performed a reclassification of its property, plant and equipment between different asset categories during the financial year ended 31 March 2023. Additional depreciation amounting to \$23,426,000 and \$19,635,000 was recorded for the Group and Company as a result of this review.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

13. INTANGIBLE ASSETS

	Computer software \$'000
Group	
As at 31 March 2023	
<u>Cost</u>	
Beginning of financial year	6,068
Additions	3,164
Reclassification	(15)
Disposals/write-off	(19)
End of financial year	9,198
<u>Accumulated amortisation</u>	
Beginning of financial year	840
Currency translation differences	40
Amortisation charge	1,502
Disposals/write-off	(19)
End of financial year	2,363
<u>Accumulated impairment</u>	
Beginning of financial year	-
Impairment charge	63
End of financial year	63
Net book value	
End of financial year	6,772

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

13. INTANGIBLE ASSETS (CONTINUED)

	Concession right \$'000	Infra-structure \$'000	Computer software \$'000	Capitalised costs \$'000	Total \$'000
Group					
As at 31 March 2022					
Cost					
Beginning of financial year	2,962,430	590,564	13,222	6,090	3,572,306
Currency translation differences	636,228	116,743	2,160	-	755,131
Additions	211,897	11,300	2,319	-	225,516
Reclassification	-	-	1,383	-	1,383
Disposals/write-off	-	(11)	(224)	(6,090)	(6,325)
Deconsolidation of subsidiary (Note 15)	(3,810,555)	(718,596)	(12,792)	-	(4,541,943)
End of financial year	-	-	6,068	-	6,068
Accumulated amortisation					
Beginning of financial year	45,581	30,972	2,927	6,090	85,570
Currency translation differences	9,804	5,849	691	-	16,344
Amortisation charge	5,667	4,852	1,896	-	12,415
Disposals/write-off	-	(5)	-	(6,090)	(6,095)
Deconsolidation of subsidiary (Note 15)	(61,052)	(41,668)	(4,674)	-	(107,394)
End of financial year	-	-	840	-	840
Accumulated impairment					
Beginning of financial year	596,709	24,810	-	-	621,519
Currency translation differences	118,363	4,052	-	-	122,415
Impairment charge	12,176	-	-	-	12,176
Deconsolidation of subsidiary (Note 15)	(727,248)	(28,862)	-	-	(756,110)
End of financial year	-	-	-	-	-
Net book value					
End of financial year	-	-	5,228	-	5,228

The concession right represents the right to charge the users of public services by means of fees for a period of time as set out in the concession agreement with the Concession Authority.

Infrastructure pertains to costs of assets used in the infrastructure of the concession that would be returned to the Concession Authority upon expiration of the concession right.

Both the concession right and infrastructure have been deconsolidated in the previous financial year (Note 15).

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

14. RIGHT-OF-USE ASSETS

The Group leases land, equipment and warehouse space for its business operations.

	Land	Plant and equipment	Warehouse space	Total
	\$'000	\$'000	\$'000	\$'000

Group

As at 31 March 2023

Cost

Beginning of financial year	1,181,356	13,233	237	1,194,826
Additions	-	3,343	-	3,343
Disposal	-	(16,576)	(237)	(16,813)
End of financial year	1,181,356	-	-	1,181,356

Accumulated depreciation

Beginning of financial year	151,019	12,725	122	163,866
Depreciation charge	50,431	3,851	115	54,397
Disposal	-	(16,576)	(237)	(16,813)
End of financial year	201,450	-	-	201,450

Net book value

End of financial year	979,906	-	-	979,906
-----------------------	---------	---	---	---------

As at 31 March 2022

Cost

Beginning of financial year	1,182,069	15,638	237	1,197,944
Additions	433	1,932	-	2,365
Disposal	(1,146)	(4,337)	-	(5,483)
End of financial year	1,181,356	13,233	237	1,194,826

Accumulated depreciation

Beginning of financial year	101,208	9,430	38	110,676
Depreciation charge	50,394	6,779	84	57,257
Disposal	(583)	(3,484)	-	(4,067)
End of financial year	151,019	12,725	122	163,866

Net book value

End of financial year	1,030,337	508	115	1,030,960
-----------------------	-----------	-----	-----	-----------

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

14. RIGHT-OF-USE ASSETS (CONTINUED)

The Company leases land and equipment for its business operations.

	Land	Plant and equipment	Total
	\$'000	\$'000	\$'000

Company

As at 31 March 2023

Cost

Beginning of financial year	1,181,356	13,233	1,194,589
Additions	-	3,343	3,343
Disposal	-	(16,576)	(16,576)
End of financial year	1,181,356	-	1,181,356

Accumulated depreciation

Beginning of financial year	151,019	12,725	163,744
Depreciation charge	50,431	3,851	54,282
Disposal	-	(16,576)	(16,576)
End of financial year	201,450	-	201,450

Net book value

End of financial year	979,906	-	979,906
-----------------------	---------	---	---------

As at 31 March 2022

Cost

Beginning of financial year	1,182,069	15,638	1,197,707
Additions	433	1,932	2,365
Disposal	(1,146)	(4,337)	(5,483)
End of financial year	1,181,356	13,233	1,194,589

Accumulated depreciation

Beginning of financial year	101,208	9,430	110,638
Depreciation charge	50,394	6,779	57,173
Disposal	(583)	(3,484)	(4,067)
End of financial year	151,019	12,725	163,744

Net book value

End of financial year	1,030,337	508	1,030,845
-----------------------	-----------	-----	-----------

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

15. SUBSIDIARIES

	Company	
	2023	2022
	\$'000	\$'000
Unquoted equity shares, at cost	1,623,681	1,623,681
Less: Impairment allowance	(1,290,000)	(1,290,000)
	333,681	333,681

Details of significant subsidiaries are included in Note 32.

(a) Additions

In the previous financial year, the Company subscribed to new equity shares of subsidiaries for a total consideration of \$327,315,000. The consideration included the conversion of loans extended to those subsidiaries into equity, amounting to \$247,315,000.

(b) Impairment

As at 31 March 2023, the Company performed an impairment assessment on its investment in Changi Airports International Pte. Ltd ("CAI"). The recoverable amount of CAI, computed based on a sum-of-the-parts model, was determined to be its value-in-use of \$287,000,000 (2022: \$287,000,000), largely made up of liquid assets and liabilities carried on CAI's books as well as discounted cash flows of CAI's consultancy business (2022: largely made up of liquid assets carried on CAI's books). Based on the assessment, no impairment (2022: \$461,000,000) was recognised.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

15. SUBSIDIARIES (CONTINUED)

(c) Deconsolidation of a subsidiary

In the previous financial year, the Group deconsolidated Concessionária Aeroporto Rio de Janeiro S.A ("CARJ") as a subsidiary and recognised CARJ as an equity-accounted investee, as the Group no longer has the right to appoint the majority of the members on the CARJ Board of Directors. Details of the deconsolidation of CARJ are as follows:

(i) Net liabilities deconsolidated

	Note	\$'000
Cash and cash equivalents		2,123
Trade and other receivables		29,218
Other investments		82,171
Inventories		1,897
Property, plant and equipment	12	434
Intangible assets	13	3,678,439
Tax recoverable		2,087
Total assets		3,796,369
Trade and other payables		31,940
Other non-current liabilities		28,487
Loans and borrowings	21	322,754
Concession payable		3,595,952
Current income tax liabilities		2,174
Total liabilities		3,981,307
Net liabilities derecognised		(184,938)
Exclude: Non-controlling interest		90,618
Net liabilities reclassified to provision as at 31 March 2022	16(iii)	(94,320)

(ii) Effect on cash flows of deconsolidation

	\$'000
Cash proceeds on derecognition	-
Less: Cash and cash equivalents in subsidiary derecognised	(2,123)
Net cash outflow on derecognition	(2,123)

(iii) Loss on deconsolidation

	\$'000
Reclassification of currency translation reserve	127,963
Loss on deconsolidation	127,963

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

15. SUBSIDIARIES (CONTINUED)

(d) Summarised financial information of subsidiary with material non-controlling interest

Set out below is the summarised financial information of Jewel Changi Airport Trust. The following is presented before inter-company eliminations.

	2023	2022
	\$'000	\$'000

Summarised balance sheet

Current assets	40,703	82,172
Non-current assets	1,306,832	1,348,704
Current liabilities	(52,970)	(69,125)
Non-current liabilities	(1,549,140)	(1,575,082)
Net liabilities	(254,575)	(213,331)

	2023	2022
	\$'000	\$'000

Summarised income statement

Revenue	116,343	76,741
Loss after tax	(48,392)	(56,049)
Total comprehensive loss	(41,244)	(40,039)

Summarised cash flows

Net cash from operating activities	43,222	37,397
Net cash from investing activities	(18,656)	(5,179)
Net cash from financing activities	(72,912)	(16,913)

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

16. ASSOCIATED COMPANIES AND JOINT VENTURES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	242,943	261,745	13,614	12,934
Capital injection	386	680	-	680
Share of results	(43,148)	21,515	-	-
Dividends received	(3,412)	(55,944)	-	-
Share of other comprehensive income	2	(2,251)	-	-
Currency translation differences	(817)	(9,162)	-	-
Losses in excess of invested capital reclassified to liabilities	41,942	26,360	-	-
	237,896	242,943	13,614	13,614
Less: Impairment allowance	(215,646)	(215,646)	-	-
End of financial year	22,250	27,297	13,614	13,614

Set out below are the significant associated companies and joint ventures of the Group as at 31 March 2023.

(i) Bengal Aerotropolis Projects Limited ("BAPL")

BAPL is incorporated in India and its principal business is to develop an airport and surrounding township in Durgapur, West Bengal, India.

(ii) Fukuoka International Airport Co., Ltd. ("FUK")

The principal activities of FUK are to provide airport and related services in the city of Fukuoka, Japan. The Group sold its equity interest in FUK during the financial year for a consideration of JPY 1,000,000,000 (approximately \$10,001,000). A gain on sale of \$46,249,000 was recognised in profit or loss (Note 7).

In the previous financial year, the Group had accounted for its cumulative share of losses from FUK amounting to \$46,620,000 that was in excess of its invested capital due to the Group's commitment to provide a shareholder loan to FUK. The amount was included in liabilities as at 31 March 2022. In the current financial year, this liability was reversed upon the sale of the investment.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

16. ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

(iii) Concessionária Aeroporto Rio de Janeiro S.A ("CARJ")

The principal activity of CARJ is the operation and maintenance of Galeão Airport.

As the Group has given a commitment to a lender of CARJ, the Group has accounted for its share of net liabilities in excess of invested capital amounting to \$125,500,000 as at 31 March 2023 (2022: \$94,320,000).

In the previous financial year, the Group filed for a re-auction of the Galeão Airport concession. The re-auction was approved in the current financial year and is expected to be completed in the next couple of years. During the transition period, CARJ remains responsible for the continued operation of Galeão Airport.

(iv) Transport AMD-2 Limited ("TAMD-2")

TAMD-2 holds airport investments in several cities in Russia.

As at 31 March 2023, management continued to classify the investment in TAMD-2 as a non-current financial asset held at fair value through profit or loss and maintained the assessment of its fair value at \$nil (2022: \$nil), as circumstances surrounding the investment, which primarily relates to measures introduced by the Russian Government over foreign investments, have remained unchanged. In the previous financial year, the Group had recorded a write-down of \$200,572,000 in profit or loss in respect of this investment (Note 7).

Further details of significant associated companies and joint ventures are provided in Note 32.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

17. INVESTMENT PROPERTY

	Investment property \$'000	Investment property under development \$'000	Total \$'000
Group			
As at 31 March 2023			
<u>Cost</u>			
Beginning of financial year	1,462,019	5,959	1,467,978
Additions	14	16,902	16,916
Transfers	21,046	(21,046)	-
End of financial year	1,483,079	1,815	1,484,894
<u>Accumulated depreciation</u>			
Beginning of financial year	190,328	-	190,328
Depreciation charge	69,057	-	69,057
End of financial year	259,385	-	259,385
<u>Accumulated impairment</u>			
Beginning and end of financial year	7,666	-	7,666
Net book value			
End of financial year	1,216,028	1,815	1,217,843
As at 31 March 2022			
<u>Cost</u>			
Beginning of financial year	1,467,616	-	1,467,616
Additions	-	6,146	6,146
Cost adjustments	(5,784)	-	(5,784)
Transfers	187	(187)	-
End of financial year	1,462,019	5,959	1,467,978
<u>Accumulated depreciation</u>			
Beginning of financial year	129,753	-	129,753
Depreciation charge	60,575	-	60,575
End of financial year	190,328	-	190,328
<u>Accumulated impairment</u>			
Beginning and end of financial year	7,666	-	7,666
Net book value			
End of financial year	1,264,025	5,959	1,269,984

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

17. INVESTMENT PROPERTY (CONTINUED)

As at 31 March 2023, the fair value of the investment property was \$1,293,000,000 (2022: \$1,270,000,000). The fair value of the investment property was obtained based on a valuation performed by an independent professional valuer, in which the Direct Capitalisation Method and Discounted Cash Flow approach were used. The fair value is the average value derived from the two methods.

Further details of the valuation techniques and key inputs used to determine the fair value of the investment property are provided in Note 28(e).

The fair value of the investment property is sensitive to changes in total estimated revenues used in the valuation. If total estimated revenues decreased by 5% (2022: 5%), the fair value would decrease by approximately \$33,000,000 (2022: \$32,000,000).

As part of the Group's annual review described in Note 2.7(c), the Group has performed a reclassification of its investment property between different asset categories during the financial year ended 31 March 2023. Additional depreciation amounting to \$12,775,000 was recorded for the Group as a result of this review.

18. OTHER INVESTMENTS

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
<i>Financial assets at amortised cost</i>				
- Treasury bills	30,887	-	30,887	-
<i>Financial assets at FVPL</i>				
- Investment funds	435,725	537,245	397,880	495,537
- Unquoted instruments	221	-	-	-
	466,833	537,245	428,767	495,537
Non-current				
<i>Financial assets at amortised cost</i>				
- Bonds with fixed interest	50,000	-	50,000	-
<i>Financial assets at FVPL</i>				
- Unquoted instruments	17,102	17,937	9,890	13,855
	67,102	17,937	59,890	13,855

The interest rate for the treasury bills and bonds are 4.0% and 2.6% per annum respectively. The fair value of the treasury bills and bonds as at 31 March 2023 approximate their carrying values, classified under Level 1 of the fair value hierarchy (Note 28(e)).

Investment funds are invested using excess cash and are highly liquid investments of low credit risks. Investment funds and unquoted instruments are measured at their fair values at the balance sheet date, classified under Level 2 of the fair value hierarchy (Note 28(e)).

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

19. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	(23,950)	(13,305)	-	-
Deferred tax liabilities	90,792	31,618	90,792	31,618
Net deferred tax liabilities	66,842	18,313	90,792	31,618

Movement in net deferred income tax liabilities is as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	18,313	61,647	31,618	72,762
Under provision in prior years	18,176	5,500	18,635	5,598
Tax charged to profit or loss	28,889	(53,438)	40,539	(46,742)
Tax charged to other comprehensive income	1,464	3,279	-	-
Other movements	-	1,325	-	-
End of financial year	66,842	18,313	90,792	31,618

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of \$8,253,000 (2022: \$11,760,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies in their respective countries of incorporation.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

19. DEFERRED INCOME TAXES (CONTINUED)

The movement in deferred income tax assets and liabilities prior to offsetting of balances within the same jurisdiction during the financial year is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation	Right-of-use assets	Others	Total
	\$'000	\$'000	\$'000	\$'000
As at 31 March 2023				
Beginning of financial year	67,902	175,244	2,535	245,681
Charged/(credited) to profit or loss	56,336	(8,660)	2,203	49,879
Charged to other comprehensive income	-	-	1,464	1,464
End of financial year	124,238	166,584	6,202	297,024

	Accelerated tax depreciation	Amortisation of intangibles	Right-of-use assets	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 March 2022					
Beginning of financial year	117,644	267,975	184,802	(1,231)	569,190
(Credited)/charged to profit or loss	(49,742)	45,540	(9,558)	487	(13,273)
Charged to other comprehensive income	-	-	-	3,279	3,279
Currency translation differences	-	14,671	-	-	14,671
Deconsolidation of subsidiary (Note 15)	-	(328,186)	-	-	(328,186)
End of financial year	67,902	-	175,244	2,535	245,681

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

19. DEFERRED INCOME TAXES (CONTINUED)

Group (continued)

Deferred income tax assets

	Tax losses	Unabsorbed tax allowances	Provisions	Lease liabilities	Total
	\$'000	\$'000	\$'000	\$'000	\$'000

As at 31 March 2023

Beginning of financial year	(15,832)	(20,374)	(6,780)	(184,382)	(227,368)
(Credited)/charged to profit or loss	(6,243)	(2,045)	(616)	6,090	(2,814)
End of financial year	(22,075)	(22,419)	(7,396)	(178,292)	(230,182)

As at 31 March 2022

Beginning of financial year	(286,040)	(22,787)	(7,947)	(190,769)	(507,543)
(Credited)/charged to profit or loss	(44,632)	2,413	1,167	6,387	(34,665)
Other movements	1,325	-	-	-	1,325
Currency translation differences	(14,671)	-	-	-	(14,671)
Deconsolidation of subsidiary (Note 15)	328,186	-	-	-	328,186
End of financial year	(15,832)	(20,374)	(6,780)	(184,382)	(227,368)

Company

Deferred income tax liabilities

	Accelerated tax depreciation	Right-of-use assets	Others	Total
	\$'000	\$'000	\$'000	\$'000

As at 31 March 2023

Beginning of financial year	67,988	175,244	1,687	244,919
Charged/(credited) to profit or loss	56,609	(8,660)	2,203	50,152
End of financial year	124,597	166,584	3,890	295,071

As at 31 March 2022

Beginning of financial year	117,716	184,802	1,200	303,718
(Credited)/charged to profit or loss	(49,728)	(9,558)	487	(58,799)
End of financial year	67,988	175,244	1,687	244,919

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

19. DEFERRED INCOME TAXES (CONTINUED)

Company (continued)

Deferred income tax assets

	Tax losses	Unabsorbed tax allowances	Lease liabilities	Provisions	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 March 2023					
Beginning of financial year	(13,405)	(8,807)	(184,382)	(6,707)	(213,301)
Charged/(credited) to profit or loss	(4,424)	7,981	6,090	(625)	9,022
End of financial year	(17,829)	(826)	(178,292)	(7,332)	(204,279)
As at 31 March 2022					
Beginning of financial year	(14,515)	(17,765)	(190,769)	(7,907)	(230,956)
Charged/(credited) to profit or loss	1,110	8,958	6,387	1,200	17,655
End of financial year	(13,405)	(8,807)	(184,382)	(6,707)	(213,301)

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Trade payables	194,059	192,279	184,154	184,097
Non-trade payables to subsidiaries	-	-	348,273	336,569
Accrued operating expenses	192,230	155,347	164,578	125,513
Accrued capital expenditure and development costs	196,266	158,403	187,993	148,367
Sundry creditors and other accruals	53,771	15,605	51,269	12,651
Accrued regulatory contribution	60,845	60,658	60,845	60,658
Deposits received	77,412	81,801	72,673	54,855
Liabilities in respect of investment in associated companies	125,525	141,355	-	-
	900,108	805,448	1,069,785	922,710

Included in non-trade payables to subsidiaries is an amount of \$331,757,000 (2022: \$331,757,000) to be injected as capital for shares issued by subsidiaries. The remaining non-trade payables to subsidiaries represent funds from subsidiaries managed by the Company on their behalf, and are unsecured and repayable on demand. The interest payable to subsidiaries for the funds managed was 0.2% as at 31 March 2023 (2022: 0.2%).

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

20. TRADE AND OTHER PAYABLES (CONTINUED)

Accrued regulatory contribution relates to the regulatory contribution that the Company is required to make in accordance with the CAAS Act. During the financial year, an amount of \$nil (2022: \$7,790,000) was utilised against the provision.

Liabilities in respect of investment in associated companies represent the Group's share of associated companies' losses in excess of its interests (Note 16(ii) and (iii)).

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000

Non-current

Accrued capital expenditure and development costs	101,561	123,505	101,561	123,505
Other non-current liabilities	81,585	59,215	37,281	33,939
	183,146	182,720	138,842	157,444

Included in other non-current liabilities are accruals mainly relating to employee compensation schemes that are deferred and payable over a period of time and other miscellaneous non-current liabilities.

21. LOANS AND BORROWINGS

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000

Non-current

Bank borrowings – secured	974,318	1,018,807	-	-
Loan from non-controlling interest	247,506	247,506	-	-
Notes payable	750,000	750,000	750,000	750,000
	1,971,824	2,016,313	750,000	750,000

Bank borrowings – secured

The Group's secured bank borrowings are variable rate borrowings and contractually repriced between one to three months. As disclosed in Note 2.14, the Group has transited the SOR-linked borrowings to SORA during the financial year. The bank borrowings will mature in July 2024, are secured on the assignment of insurances and contractual proceeds.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

21. LOANS AND BORROWINGS (CONTINUED)

Loan from non-controlling interest

The loan from non-controlling interest is unsecured, subordinated to external borrowings and is not expected to be repaid within the next twelve months from the end of the financial year.

Notes payable

Notes payable pertains to amounts issued by the Company under its \$2,000,000,000 Multicurrency Medium Term Note Programme. The terms of the notes were as follows:

			2023	2022
	Maturity	Coupon	\$'000	\$'000
Medium-term notes	12 May 2031	1.88%	500,000	500,000
Medium-term notes	20 September 2028	1.49%	250,000	250,000
			750,000	750,000

At the balance sheet date, the fair values of the bank borrowings and loan from non-controlling interest approximated their carrying values. The fair value of notes payable is disclosed in Note 28(e).

Reconciliation of loans and borrowings arising from financing activities

	2023	2022
	\$'000	\$'000
Beginning of financial year	2,016,313	1,836,808
Net (repayment)/proceeds	(86,037)	418,737
Non-cash changes:		
- Interest	41,037	25,349
- Foreign exchange movement	-	57,662
- Deconsolidation of subsidiary (Note 15)	-	(322,754)
- Other non-cash movements	511	511
End of financial year	1,971,824	2,016,313

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

22. LEASE LIABILITIES

The movement in the Group's and Company's lease liabilities was as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	1,084,610	1,122,259	1,084,495	1,122,060
Additions	3,343	2,353	3,343	2,353
Disposal	-	(1,416)	-	(1,416)
Interest expense	40,301	41,657	40,300	41,654
Repayment of principal	(37,868)	(37,289)	(37,752)	(37,202)
Repayment of interest	(41,654)	(42,979)	(41,654)	(42,979)
Revaluation	(54)	25	(54)	25
End of financial year	1,048,678	1,084,610	1,048,678	1,084,495

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000

Classified as:

Current	76,378	76,940	76,378	76,825
Non-current	972,300	1,007,670	972,300	1,007,670
	1,048,678	1,084,610	1,048,678	1,084,495

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

23. DERIVATIVES

	Contract notional amount	Fair value		
		Group Asset	Group Liability	Company Liability
	\$'000	\$'000	\$'000	\$'000

As at 31 March 2023

Derivatives held for hedging:

Cash flow hedge

- Interest rate swaps	510,000	13,592	-	-
-----------------------	---------	--------	---	---

Derivatives not held for hedging:

- Detachable warrants	100,000	-	(100,000)	-
- Currency forward	5,067	-	(227)	(227)
		-	(100,227)	(227)

Classified as:

- Current		-	(227)	(227)
- Non-current		13,592	(100,000)	-

As at 31 March 2022

Derivatives held for hedging:

Cash flow hedge

- Interest rate swaps	510,000	4,981	-	-
-----------------------	---------	-------	---	---

Derivatives not held for hedging:

- Detachable warrants	100,000	-	(100,000)	-
		4,981	(100,000)	-

Classified as:

- Non-current		4,981	(100,000)	-
---------------	--	-------	-----------	---

The weighted average hedged rate for interest rate swaps was 1.5% (2022: 1.5%). The interest rate swaps mature in July 2024. As disclosed in Note 2.14, the Group has transited its SOR-linked interest rate swaps to SORA during the financial year.

The detachable warrants, issued by a subsidiary of the Company, are exercisable at the holder's discretion into shares of certain investees held by the issuer at a 25% discount off the fair values of the equity shares up to a total discount of \$100 million, at any time between issuance and maturity. The warrants mature on 4 April 2029. The Group assessed that based on currently available information, it is probable the warrants are likely to be fully exercised by the holders before maturity on current or future investments entered into by the subsidiary of the Company.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

24. DEFERRED INCOME

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Advances received	29,538	28,294	19,503	18,684
Deferred revenue	70,201	72,292	67,711	71,692
Deferred grants	2,749,714	2,244,335	2,749,714	2,244,335
	2,849,453	2,344,921	2,836,928	2,334,711
<i>Classified as:</i>				
Current	75,444	79,624	62,919	69,414
Non-current	2,774,009	2,265,297	2,774,009	2,265,297
	2,849,453	2,344,921	2,836,928	2,334,711

Deferred grants are mainly amounts granted by the government to partially defray the costs of construction or acquisition of property, plant and equipment. Additions to such deferred grants during the financial year amounted to \$549,179,000 (2022: \$792,294,000). The deferred grants amortised to offset depreciation during the financial year amounted to \$32,186,000 (2022: \$29,005,000).

25. SHARE CAPITAL AND RESERVES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Share capital	3,280,387	3,280,387	3,280,387	3,280,387
Other reserve (b(i))	27,861	27,861	-	-
Hedging reserve	5,754	(9,566)	-	-
Currency translation reserve	(2,465)	4,517	-	-
Sinking fund reserve (b(ii))	509,221	508,377	509,221	508,377
	3,820,758	3,811,576	3,789,608	3,788,764

(a) Share capital

The Group and Company's share capital comprises 3,280,387,000 (2022: 3,280,387,000) fully paid-up ordinary shares with no par value, amounting to a total of \$3,280,387,000 (2022: \$3,280,387,000).

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

25. SHARE CAPITAL AND RESERVES (CONTINUED)

(b) Composition of reserves

- (i) Included in other reserve is an amount which relates to the difference between the consideration paid to CAAS as compared to the carrying amount of net assets transferred from CAAS, as reflected in the financial records of CAAS as at 1 July 2009 and, adjusted by the requirements of SFRS(I). The remaining amount pertains to the share of reserves of associated companies.
- (ii) The sinking fund reserve was set up for the Changi East Development.

The above reserves are non-distributable.

(c) Movements of reserves

(i) *Hedging reserve*

	Group	
	2023	2022
	\$'000	\$'000
Beginning of financial year	(9,566)	(14,856)
Fair value gains	9,595	10,495
Reclassified to profit or loss	9,227	5,515
Share of hedging reserve from an associated company	-	(2,875)
Less: Non-controlling interests	(3,502)	(7,845)
End of financial year	5,754	(9,566)

(ii) *Currency translation reserve*

	Group	
	2023	2022
	\$'000	\$'000
Beginning of financial year	4,517	(129,507)
Net currency translation differences of foreign subsidiaries, associated companies and joint ventures	(977)	(29,066)
Reclassified to profit or loss	(6,005)	162,467
Less: Non-controlling interests	-	623
End of financial year	(2,465)	4,517

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

25. SHARE CAPITAL AND RESERVES (CONTINUED)

(c) Movements of reserves (continued)

(iii) *Sinking fund reserve*

	Group and Company	
	2023	2022
	\$'000	\$'000
Beginning of financial year	508,377	507,534
Sinking fund contribution	844	843
End of financial year	509,221	508,377

26. RETAINED PROFITS

Movements in retained profits for the Group and Company are as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	2,406,446	3,244,915	2,646,236	3,495,476
Net profit/(loss)	32,630	(837,626)	55,421	(848,397)
Sinking fund contribution	(844)	(843)	(844)	(843)
End of financial year	2,438,232	2,406,446	2,700,813	2,646,236

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

27. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements were as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Investment property	-	15,457	-	-
Property, plant and equipment	1,796,185	2,505,519	1,796,185	2,505,519

The Group's share of associated companies' and joint ventures' capital commitments was approximately \$282,000 (2022: \$552,000).

(b) Operating lease commitments – where the Group is a lessor

The Group and Company lease out retail and commercial spaces under non-cancellable operating leases. The future minimum lease receivables from operating leases to be received after the reporting date are as follows:

	Group	Company
	\$'000	\$'000
As at 31 March 2023		
Not later than one year	214,595	132,330
Between one and two years	101,293	40,108
Between two and three years	52,691	19,331
Between three and four years	28,073	17,879
Between four and five years	21,810	18,132
Later than five years	466,181	463,710
	884,643	691,490
As at 31 March 2022		
Not later than one year	149,185	114,226
Between one and two years	74,632	55,963
Between two and three years	30,329	24,391
Between three and four years	20,718	18,157
Between four and five years	20,074	17,844
Later than five years	485,625	481,737
	780,563	712,318

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

28. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise the potential adverse effects from these exposures on the Group's financial performance. The Group uses financial instruments such as interest rate swaps to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

(a) Market risk

(i) *Currency risk*

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the United States Dollar ("USD") and Euro ("EUR"). The Group also has investments in foreign entities denominated in Brazilian Reals ("BRL") and Indian Rupees ("INR").

If the USD and EUR had strengthened / weakened by 5% (2022: 5%) against the respective functional currencies of the Group with all other variables including tax rate being held constant, the effects on the net profit after tax or other comprehensive income would not be significant.

(ii) *Price risk*

The Group's financial assets are predominantly made up of low risk, liquid investments which are not subject to significant price risk.

(iii) *Interest rate risk*

The Group's interest-bearing investments are in fixed deposits, with generally short-term maturities of around one year, treasury bills and fixed rate bonds that are held to maturity. Fixed deposits are placed with banks that offer the most competitive interest rate. On average, the interest rates of the fixed deposits are generally repriced every six months.

The Group is exposed to interest rate risk arising from its loans and borrowings. The Group manages a significant portion of these cash flow interest rate risks using floating-to-fixed interest rate swaps.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The major classes of financial assets of the Group and Company are trade and other receivables, other investments and bank deposits. For trade and other receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security deposits where appropriate to mitigate credit risk. The trade and other receivables exposure is continuously monitored and followed up by the Finance Department and relevant business units.

For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties and an exposure cap (limit) is set and approved for each of the counterparties.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial assets presented on the balance sheets.

(i) *Trade receivables*

For trade receivables, the Group applies the simplified approach where lifetime ECLs are recognised from initial recognition of the receivables. In measuring the expected credit losses, trade receivables are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers the historical loss rates for each category of customers under each business and adjusts to reflect current and forward-looking macroeconomic factors which may affect the ability of the customers to settle the receivables.

The Group generally considers a financial asset to be in default if the counterparty fails to make contractual payments within 90 days when they fall due and without recourse.

Trade receivables are written off when there is no reasonable expectation of recovery. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

As at the balance sheet date, the Group had a credit loss allowance of \$3,853,000 (2022: \$4,483,000) and the Company had a credit loss allowance of \$2,000,000 (2022: \$2,000,000) in respect of trade receivables.

(ii) *Financial assets at amortised cost*

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group's investments in debt instruments are considered to be low risk investments as they are of investment grade credit rating with at least one major rating agency or are internally assessed to have high credit quality. The credit ratings of the investments are monitored for credit deterioration.

Cash and cash equivalents and other investments are subject to immaterial credit loss.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

The Group and the Company adopt prudent liquidity risk management by maintaining sufficient cash and an adequate amount of credit facilities for their operating requirements.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
Group			
31 March 2023			
Trade and other payables	896,380	133,499	5,997
Loans and borrowings	56,641	1,042,310	1,028,553
Lease liabilities	76,378	302,138	1,112,891
31 March 2022			
Trade and other payables	658,717	127,348	30,299
Loans and borrowings	25,932	1,337,176	794,208
Lease liabilities	76,940	302,283	1,188,416
Company			
31 March 2023			
Trade and other payables	1,066,057	132,845	5,997
Loans and borrowings	13,161	52,536	781,047
Lease liabilities	76,378	302,138	1,112,891
31 March 2022			
Trade and other payables	918,983	127,146	30,299
Loans and borrowings	13,125	52,536	794,208
Lease liabilities	76,826	302,283	1,188,416

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the derivative financial instruments of the Group for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 5 years \$'000
--	-------------------------------	------------------------------------

Group

31 March 2023

Net-settled derivative financial instruments		
– Interest rate swaps	(10,803)	(3,631)
– Currency forward	227	–
Net cash inflows	(10,576)	(3,631)

31 March 2022

Net-settled derivative financial instruments		
– Interest rate swaps	5,970	7,988
Net cash outflows	5,970	7,988

Company

31 March 2023

Net-settled derivative financial instruments		
– Currency forward	227	–
Net cash outflows	227	–

(d) Capital risk

The Group's objective when managing capital is to ensure that the Group is adequately capitalised and to maintain an optimal capital structure so as to maximise shareholder value.

The Group is in compliance with all externally imposed capital requirements.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements

The table below presents assets and liabilities measured and carried at fair value, as well as assets and liabilities for which fair value disclosure is required, classified by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) 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 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000

Group

31 March 2023

Assets

Other investments	80,887	453,048	–	533,935
Derivative financial instruments	–	13,592	–	13,592
Investment property	–	–	1,293,000	1,293,000
Total assets	80,887	466,640	1,293,000	1,840,527

Liabilities

Notes payable	(643,100)	–	–	(643,100)
Derivative financial instruments	–	(227)	(100,000)	(100,227)
Total liabilities	(643,100)	(227)	(100,000)	(743,327)

31 March 2022

Assets

Other investments	–	555,182	–	555,182
Derivative financial instruments	–	4,981	–	4,981
Investment property	–	–	1,270,000	1,270,000
Total assets	–	560,163	1,270,000	1,830,163

Liabilities

Notes payable	(694,125)	–	–	(694,125)
Derivative financial instruments	–	–	(100,000)	(100,000)
Total liabilities	(694,125)	–	(100,000)	(794,125)

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (continued)

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Company				
31 March 2023				
<i>Assets</i>				
Other investments	80,887	407,770	-	488,657
Total assets	80,887	407,770	-	488,657
<i>Liabilities</i>				
Notes payable	(643,100)	-	-	(643,100)
Derivative financial instruments	-	(227)	-	(227)
Total liabilities	(643,100)	(227)	-	(643,327)
31 March 2022				
<i>Assets</i>				
Other investments	-	509,392	-	509,392
Total assets	-	509,392	-	509,392
<i>Liabilities</i>				
Notes payable	(694,125)	-	-	(694,125)
Total liabilities	(694,125)	-	-	(694,125)

There were no transfers between levels 1, 2 and 3 during the year.

Valuation techniques used to derive Level 2 fair values

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The fair values of derivative financial instruments and unquoted instruments are calculated as the present value of the estimated future cash flows and are determined by using counterparty quotes at the balance sheet date. The fair values of investment funds are based on valuations provided by the counterparty, determined using the quoted prices of the underlying portfolio investments at the balance sheet date.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (continued)

Valuation techniques used to derive Level 3 fair values

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment property categorised under Level 3 of the fair value hierarchy:

Description	Valuation technique	Key unobservable inputs	Relationship of unobservable inputs to fair value
Mixed-used development	Direct Capitalisation Method	Capitalisation rate	Higher capitalisation rate results in lower fair value
		Total estimated revenue	Lower total revenue results in lower fair value
	Discounted Cash Flow Method	Discount rate	Higher discount rate results in lower fair value
		Total estimated revenue	Lower total revenue results in lower fair value.

29. SEGMENT REPORTING

The Group's segment results are organised based on the operational nature of business conducted. Business segments are aggregated when the goods or services provided, type of customers, nature of business operation, and economic environment is similar. Transactions between segments are recorded within the segment as if they are third party transactions and eliminated on consolidation. The Group's reportable segments are described below:

(i) Airport-related businesses

Principal activities relate to ownership, development, operation, management and provision of airport facilities and airport-related services, as well as airport investment and consultancy.

(ii) Jewel operations

Principal activities relate to the ownership, development, operation and management of the Jewel mixed-use development in Singapore.

(iii) Others

Others mainly comprise goods and services sold by the Group. None of these segments individually meet the quantitative thresholds for determining reportable segments.

For the financial year ended 31 March 2023, one customer (2022: one customer) accounted for 10% or more of the Group's revenue.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

29. SEGMENT REPORTING (CONTINUED)

Information regarding the Group's business segments is as follows:

	Airport-related businesses	Jewel operations	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment results					
2023					
External revenue	1,764,227	116,087	2,209	–	1,882,523
Inter-segment revenue	26,983	250	5	(27,238)	–
Total revenue	1,791,210	116,337	2,214	(27,238)	1,882,523
Operating profit/(loss)	59,819	(29,117)	(4,088)	(494)	26,120
Finance expenses	(43,681)	(28,680)	–	–	(72,361)
Other income and losses – net	117,853	115	120	(24)	118,064
Share of results of associated companies and joint ventures	(43,148)	–	–	–	(43,148)
Income tax	(29,396)	9,977	–	–	(19,419)
Profit/(loss) after tax	61,447	(47,705)	(3,968)	(518)	9,256
Attributable to:					
Equity holder of the Company	61,447	(24,331)	(3,968)	(518)	32,630
Non-controlling interests	–	(23,374)	–	–	(23,374)
	61,447	(47,705)	(3,968)	(518)	9,256

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

29. SEGMENT REPORTING (CONTINUED)

	Airport-related businesses		Jewel operations	Others	Elimination	Total
	Singapore	Brazil				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Segment results

2022

External revenue	735,180	131,268	76,414	1,278	-	944,140
Inter-segment revenue	16,493	-	-	5	(16,498)	-
Total revenue	751,673	131,268	76,414	1,283	(16,498)	944,140
Operating loss	(548,536)	11,438	(38,271)	(3,052)	(3,293)	(581,714)
Finance expenses	(46,511)	(192,714)	(22,465)	-	2,583	(259,107)
Other income and losses – net	144,218	22,635	454	74	(2,605)	164,776
Impairment	-	(12,176)	-	-	-	(12,176)
Loss on deconsolidation of a subsidiary	-	(127,963)	-	-	-	(127,963)
Write-down of investment in joint venture	(200,572)	-	-	-	-	(200,572)
Share of results of associated companies and joint ventures	21,515	-	-	-	-	21,515
Income tax	41,395	-	6,728	(11)	-	48,112
Loss after tax	(588,491)	(298,780)	(53,554)	(2,989)	(3,315)	(947,129)
Attributable to:						
Equity holder of the Company	(588,491)	(215,517)	(27,314)	(2,989)	(3,315)	(837,626)
Non-controlling interests	-	(83,263)	(26,240)	-	-	(109,503)
	(588,491)	(298,780)	(53,554)	(2,989)	(3,315)	(947,129)

Included in Jewel's operating results are rental income and direct operating expenses of investment property amounting to \$81,278,064 (2022: \$60,449,737) and \$60,979,718 (2022: \$41,651,207) respectively.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

29. SEGMENT REPORTING (CONTINUED)

	Airport-related businesses	Jewel operations	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000

Other information

As at 31 March 2023

Segment assets	12,896,177	1,343,571	3,932	(930,315)	13,313,365
Segment liabilities	(6,223,223)	(1,589,396)	(14,147)	656,378	(7,170,388)
Net assets/(liabilities)	6,672,954	(245,825)	(10,215)	(273,937)	6,142,977

Associated companies and joint ventures	22,250	-	-	-	22,250
--	--------	---	---	---	--------

For the financial year ended 31 March 2023

Capital expenditure	1,080,231	16,941	47	(1,167)	1,096,052
---------------------	-----------	--------	----	---------	-----------

Capital injection into an associated company	386	-	-	-	386
---	-----	---	---	---	-----

Depreciation and amortisation	628,282	75,714	62	-	704,058
----------------------------------	---------	--------	----	---	---------

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

29. SEGMENT REPORTING (CONTINUED)

	Airport-related businesses		Jewel operations	Others	Elimination	Total
	Singapore	Brazil				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Other information

As at 31 March 2022

Segment assets	12,229,699	-	1,426,180	3,755	(909,428)	12,750,206
Segment liabilities	(5,622,886)	-	(1,631,447)	(10,002)	636,010	(6,628,325)
Net assets	6,606,813	-	(205,267)	(6,247)	(273,418)	6,121,881

Associated companies and joint ventures	27,297	-	-	-	-	27,297
---	--------	---	---	---	---	--------

For the financial year ended 31 March 2022

Capital expenditure	1,096,808	223,312	6,146	70	(2,782)	1,323,554
---------------------	-----------	---------	-------	----	---------	-----------

Capital injection into an associated company	680	-	-	-	-	680
--	-----	---	---	---	---	-----

Depreciation and amortisation	639,575	12,163	63,952	94	-	715,784
-------------------------------	---------	--------	--------	----	---	---------

Capital expenditure comprises additions to property, plant and equipment, intangible assets, right-of-use assets, and investment property.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

30. IMMEDIATE AND ULTIMATE HOLDING ENTITY

The Company's immediate and ultimate holding entity is the Minister for Finance, incorporated in Singapore.

31. RELATED PARTY TRANSACTIONS

- (a) In addition to the information disclosed elsewhere in the financial statements, the Group's significant transactions and balances with entities that are related parties to its ultimate holding entity are disclosed as follows:

	Group	
	2023	2022
	\$'000	\$'000
Revenue		
- Airport service fees	215,459	132,859
- Franchise fees	62,609	28,130
Expenses		
- Security related expenses	112,597	53,105
Receivables		
- Trade and other receivables	39,172	16,250
Payables		
- Trade and other payables	12,361	7,694

- (b) Key management personnel ("KMP") compensation paid or payable amounted to \$21,517,000 (2022: \$8,510,000). Of this, \$21,410,000 (2022: \$8,425,000) is attributable to short-term employee benefits such as directors' fees, employee salaries, bonus, leave entitlement and other long-term benefits paid or payable within 12 months after the balance sheet date. The remaining expense relates to contributions to the Central Provident Fund.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

32. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2023	2022
			%	%

Significant subsidiaries

Held by the Company:

Changi Airports International Pte. Ltd. ^(a)	Investment holding and provision of consultancy services in the field of civil aviation	Singapore	100	100
Changi Travel Services Pte. Ltd. ^(a)	Sale of travel and tour-related products and packages	Singapore	100	100
Jewel Changi Airport Holdings Pte. Ltd. ^(a)	Investment holding	Singapore	100	100
E-Concierge Pte Ltd ^(a)	E-commerce distribution	Singapore	100	100

Held by the Group:

Changi Airport Consultants Pte. Ltd. ^(a)	Provision of airport-related consultancy services	Singapore	100	100
Changi Airport Planners and Engineers Pte. Ltd. ^(a)	Provision of professional engineering services in the field of civil aviation	Singapore	100	100

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

32. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP (CONTINUED)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2023	2022
			%	%

Significant subsidiaries (continued)

Held by the Group: (continued)

Rio de Janeiro Aeroporto S.A. ^(b)	Investment holding	Brazil	100	100
Jewel Changi Airport Dev't Pte Ltd ^(a)	Provision of development, project, and real estate management services	Singapore	51	51
Jewel Changi Airport Hotel Pte Ltd ^(a)	Hotel and F&B operations	Singapore	51	51
Jewel Changi Airport Trust ^(a)	Operation and management of mixed-use development	Singapore	51	51
Jewel Changi Airport Trustee Pte Ltd ^(a)	Provision of trustee- management services	Singapore	51	51
CTS Southeast Asia Pte. Ltd. ^(a)	Investment holding	Singapore	100	100
Changi Travel International Pte. Ltd. ^(a)	Provision of management services and representing airlines as general sales agent	Singapore	100	100

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

32. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP (CONTINUED)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2023	2022
			%	%

Significant associated companies and joint ventures

Held by the Company:

Experia Events Pte Ltd ^(c)	Organising and management of conferences, exhibitions and other related activities	Singapore	20	20
---------------------------------------	--	-----------	-----------	----

Held by the Group:

Concessionária Aeroporto Rio de Janeiro S.A. ^(b)	Airport concessionaire	Brazil	51	51
Bengal Aerotropolis Projects Ltd ^(c)	Development of airport and township projects	India	30.2	30.2
Fukuoka International Airport Co., Ltd ("FIAC") ^(c)	Provision of airport and airport-related services	Japan	— ^(d)	21
Sino-Singapore Chongqing Airport Commercial Management Co., Ltd. ^(b)	Provision of retail mall management services	People's Republic of China	49	49

^(a) Audited by PricewaterhouseCoopers LLP, Singapore.

^(b) Audited by PricewaterhouseCoopers firms outside of Singapore.

^(c) Audited by other firms

^(d) During the financial year, the Group sold its investment in FIAC (Note 16).

Notes to the Financial Statements

For The Financial Year Ended 31 March 2023

33. DIVIDENDS

For the financial year ended 31 March 2023, a final dividend amounting to \$19,398,000 will be recommended at the Annual General Meeting, subject to the approval of the shareholder. These financial statements do not reflect this dividend, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2024.

34. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2023 for which the Group has not early adopted.

The Group does not expect the adoption of these mandatory accounting standards or interpretations to have a material impact on the financial statements.

35. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Changi Airport Group (Singapore) Pte. Ltd. on 1 June 2023.