

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following disclaimer before continuing.

The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be located in the United States. The attached Information Memorandum is being sent at your request and by accepting the e-mail and accessing the attached Information Memorandum, you shall be deemed to have represented to us (1) that you are not and the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and, to the extent you purchase the securities described in the attached Information Memorandum, you will be doing so pursuant to Regulation S under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and (2) that you consent to delivery of the attached Information Memorandum and any amendments or supplements thereto by electronic transmission. By accepting this document, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) under Section 274 of the SFA, a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or a person to whom an offer is being made pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, and (B) agree to be bound by the limitations and restrictions described therein. Any reference to the “SFA” is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct: Prospective investors should be aware that certain intermediaries in the context of certain offerings of the Notes pursuant to the Programme (as defined below), each such offering a “**CMI Offering**”, including certain Dealers, may be “capital market intermediaries” (“**CMIs**”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (“**OCs**”) for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the roles undertaken by the relevant Dealers in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealer and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person.

If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Singapore Airlines Limited (the “**Company**”), Citigroup Global Markets Singapore Pte. Ltd. (“**Citigroup**”) and DBS Bank Ltd. (“**DBS**”) and together with Citigroup, the “**Arrangers**”), any of the Dealers (as defined herein) or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. **We will provide a hard copy version to you upon request.**

Restrictions: The attached document is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES WHICH ARE IN BEARER FORM ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE SECURITIES MAY NOT BE OFFERED, SOLD OR (IN THE CASE OF NOTES IN BEARER FORM) DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT, AND IN CERTAIN CASES, ONLY TO NON-U.S. PERSONS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Company or the Arrangers and Dealers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act).

The attached Information Memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Company in such jurisdiction. The attached Information Memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached Information Memorandum on the basis that you are a person into whose possession this Information Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

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

YOU ARE NOT AUTHORISED AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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



SINGAPORE AIRLINES LIMITED

(incorporated in Singapore with limited liability)
(Company registration No. 197200078R)

S\$10,000,000,000 **Multi-currency Medium Term Note Programme** **(the “Programme”)**

On 19 August 2003, Singapore Airlines Limited (the “Company”, the “Issuer” or “Singapore Airlines”) established a multi-currency medium term note programme (the “Programme”, as amended, supplemented or restated) and last prepared an information memorandum dated 16 November 2020. This information memorandum (the “Information Memorandum”) further updates the Programme and supersedes any previous information memorandum describing the Programme. Any Notes (as defined below) issued under the Programme on or after the date of this Information Memorandum are issued subject to the provisions described herein. This does not affect any Notes issued before the date of this Information Memorandum.

Under the Programme described in this Information Memorandum, the Company, subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the “Notes”) denominated in any currency agreed between the Company and the relevant Dealer(s) (as defined herein). The Notes may be issued in bearer or registered form. The aggregate nominal amount of Notes outstanding will not at any time exceed S\$10,000,000,000 (or its equivalent in other currencies). The Notes may be issued on a continuing basis to one or more of the Dealers specified under “Summary of the Programme” or any additional Dealer appointed under the Programme from time to time by the Company (each a “Dealer” and together the “Dealers”), which appointment may be for a specific issue or on an ongoing basis. References in this Information Memorandum to the “relevant Dealer” shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Application has been made to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for permission to deal in, and quotation for, any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Company, its subsidiaries, its associated companies, the Programme or such Notes. The Programme also permits Notes to be issued on an unlisted basis or to be admitted for listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be decided by the Company.

Investors are advised to read and understand the contents of this document before investing. If in doubt, the investors should consult his or her adviser.

The Notes of each Series (as defined herein) issued in bearer form (“Bearer Notes”) will be represented on issue by a temporary global note in bearer form (each a “Temporary Global Note”) or a permanent global note in bearer form (each a “Permanent Global Note” and together with the Temporary Global Note, the “Global Notes” and each a “Global Note”). Notes in registered form (“Registered Notes”) will be represented by a global note in registered form (a “Global Certificate”), one Global Certificate being issued in respect of each Noteholder’s entire holding of Notes in registered form of one Series. Global Notes or Global Certificates may be deposited on the relevant issue date with a common depository on behalf of Euroclear Bank SA/NV (“Euroclear”) and/or Clearstream Banking S.A. (“Clearstream”). Global Notes and Global Certificates may also be deposited with The Central Depository (Pte) Ltd (the “CDP”). The provisions governing the exchange of interests in a Global Note or Global Certificates for other Global Notes and Definitive Notes (as defined herein) or Certificates (as defined herein) are described in “Summary of Provisions Relating to the Notes while in Global Form”.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or (in the case of Bearer Notes) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Registered Notes are subject to certain restrictions on transfer. See “Subscription and Sale”.

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Programme or other Tranches of Notes. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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

Arrangers



The date of this Information Memorandum is 4 August 2023.

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NOTICE

The Arrangers have been authorised by the Company to act as Arrangers in respect of the Programme. Under the Programme, the Company may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in Singapore Dollars and/or any other currencies. Each Series of Notes will be issued on the terms set out under “*Terms and Conditions of the Notes*” in this Information Memorandum, as amended and/or supplemented by the pricing supplement specific to such Series (the “**Pricing Supplement**”). This Information Memorandum must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to the Notes, must be read and construed together with the relevant Pricing Supplement.

This Information Memorandum, any Pricing Supplement or any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes may not be used for the purpose of, and does not constitute, an offer of, or solicitation or invitation by or on behalf of the Company or the Arrangers or any of the Dealers (as defined in this Information Memorandum) to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised, or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum, the Pricing Supplement or any such other document or information and the offering of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum, the Pricing Supplement or any such other document or information or into whose possession this Information Memorandum, the Pricing Supplement or any such other document or information comes are required by the Company, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations. For a description of certain further restrictions on offers and sales of the Notes and distribution of this Information Memorandum, see “*Subscription, Purchase and Distribution*”.

No person is authorised to give any information or to make any representation not contained in this Information Memorandum, the relevant Pricing Supplement and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, the Arrangers and the Dealers. The delivery of this Information Memorandum and the relevant Pricing Supplement at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

To the fullest extent permitted by law, none of the Arrangers or the Dealers accepts any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arrangers or any Dealer or on its behalf in connection with the Company, or the issue and offering of the Notes. Each of the Arrangers and Dealers accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or of any other jurisdiction. The Bearer Notes are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Bearer Notes) delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to any exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. The Notes are being offered and sold outside the United States in reliance of Regulation S.

This Information Memorandum, the relevant Pricing Supplement and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the issue, offering and sale of the Notes to be issued from time to time under the Programme. This Information Memorandum, the relevant Pricing Supplement and any other documents or material in relation to the issue, offering or sale of the Notes are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Sections 274 and/or 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the Arrangers and Dealers or for any other purpose. Recipients of this Information Memorandum and the relevant Pricing Supplement shall not reissue, circulate or distribute this Information Memorandum and the relevant Pricing Supplement (or any part thereof) in any manner whatsoever.

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

Neither the delivery of this Information Memorandum and the relevant Pricing Supplement (or any part thereof) nor the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, affairs, business or financial position of the Company or any of its subsidiaries or associated companies or in the information herein since the date hereof or the date on which this Information Memorandum and the relevant Pricing Supplement has been most recently amended or supplemented.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (the “**Stabilisation Manager**”) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over allot the Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date of the Notes. However, there is no obligation on such Stabilisation Manager(s) to do this. Such stabilisation, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilisation shall be in compliance with all applicable laws, regulations and rules.

None of the Company, the Arrangers, the Dealers, the Trustee, the Principal Issuing and Paying Agent, the Singapore Issuing and Paying Agent, the Principal Agent Bank, the Singapore Agent Bank, the Principal Registrar, the Singapore Registrar, the Principal Transfer Agent, the Singapore Transfer Agent and any of their respective officers or employees is making any representation or warranty, expressed or implied, as to the merits of the Notes or the subscription, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Company, the Arrangers and Dealers, the Trustee, the Principal Issuing and Paying Agent, the Singapore Issuing and Paying Agent, the Principal Agent Bank, the Singapore Agent Bank, the Principal Registrar, the Singapore Registrar, the Principal Transfer Agent, the Singapore Transfer Agent or their respective subsidiaries or associated companies. Further, none of the Arrangers and Dealers gives any representation or warranty as to the Company, its subsidiaries or associated companies and the Notes or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum and the relevant Pricing Supplement nor do they accept any responsibility therefor.

None of the Arrangers, the Dealers, the Trustee, the Principal Issuing and Paying Agent, the Singapore Issuing and Paying Agent, the Principal Agent Bank, the Singapore Agent Bank, the Principal Registrar, the Singapore Registrar, the Principal Transfer Agent and the Singapore Transfer Agent has separately verified the information contained in this Information Memorandum. Neither this Information Memorandum, the relevant Pricing Supplement nor any other document or

information (or any part thereof) delivered or supplied under or in connection with the Programme or the issue of any Notes under the Programme is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Company, the Arrangers, the Dealers, the Trustee, the Principal Issuing and Paying Agent, the Singapore Issuing and Paying Agent, the Principal Agent Bank, the Singapore Agent Bank, the Principal Registrar, the Singapore Registrar, the Principal Transfer Agent or the Singapore Transfer Agent that any recipient of this Information Memorandum, the relevant Pricing Supplement or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective purchaser and/or subscriber shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Company and its subsidiaries and associated companies, and obtain its own independent legal, financial or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Company and its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Company, the Arrangers, the Dealers, the Trustee, the Principal Issuing and Paying Agent, the Singapore Issuing and Paying Agent, the Principal Agent Bank, the Singapore Agent Bank, the Principal Registrar, the Singapore Registrar, the Principal Transfer Agent, the Singapore Transfer Agent or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum, the relevant Pricing Supplement or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum, the relevant Pricing Supplement or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any Notes by a recipient of this Information Memorandum, the relevant Pricing Supplement or such other document or information (or such part thereof).

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined herein) and the relevant Pricing Supplement, the issue of the Notes by the Company pursuant to the Programme Agreement and the Programme Agreement not being terminated for any reason whatsoever. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Company, the Arrangers or the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Company pursuant to the Programme Agreement.

Any statement contained in this Information Memorandum in a document deemed to be incorporated by reference therein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes shall be deemed to constitute an offer of, or an invitation by or on behalf of the Company, the Arrangers, the Dealers, the Trustee, the Principal Issuing and Paying Agent, the Singapore Issuing and Paying Agent, the Principal Agent Bank, the Singapore Agent Bank, the Principal Registrar, the Singapore Registrar, the Principal Transfer Agent or the Singapore Transfer Agent to subscribe for or purchase any Notes.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

Notification under Section 309B of the SFA – Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Product Governance under Directive 2014/65/EU (as amended)

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

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

Product Governance under UK MiFIR

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

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

IMPORTANT – EEA RETAIL INVESTORS If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**EU MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (“**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

The attention of recipients of this Information Memorandum is drawn to the restrictions on the resale of the Notes set out under the section “*Subscription, Purchase and Distribution*” in this Information Memorandum.

Any person(s) who is invited to purchase or subscribe for the Notes or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any Notes consult their own legal, financial, tax and other advisers before purchasing or acquiring the Notes.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would” and “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Company and/or the Group (including statements as to the Company’s and/or the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical fact and including the financial forecasts, profit projections, statements as to the expansion plans of the Company and/or the Group, expected growth in the Company and/or the Company and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- changes in competitive conditions; and
- other factors beyond the control of the Company and the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, discussion under the section “*Risk Factors*”.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Company or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. None of the Company, the Arrangers or the Dealers represents or warrants that the actual future results, performance or achievements of the Company or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of any Notes by the Company shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the prospects, results of operations or general affairs of the Company, the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Company, the Group, the Arrangers and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based, even if new information becomes available or other events occur in the future.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (1) any annual reports or summary financial statements or audited consolidated accounts or unaudited interim results of the Company and its subsidiaries published or issued from time to time after the date hereof;
- (2) all amendments and supplements to this Information Memorandum prepared by the Company from time to time; and
- (3) all public announcements published or issued from time to time after the date hereof.

Copies of the documents referred to in sub-paragraphs (1), (2) and (3) of the preceding paragraph are available on the SGX-ST website at www.sgx.com and at the specified offices of each of the Principal Issuing and Paying Agent and the Singapore Issuing and Paying Agent as described in “Corporate Information” and “General Information” below.

This Information Memorandum is to be read in conjunction with (a) all such documents which are incorporated by reference herein; (b) with respect to any series or tranches of Notes, any Pricing Supplement (as defined herein) in respect of such series or tranche; and (c) any applicable laws or regulations of any relevant regulatory, administrative or supervisory body and any modification, extension or re-enactment thereof which is or becomes generally known to the public and which may be relevant to any decision to purchase, own or dispose of Notes. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

More information on the Company can be found on the SGX-ST website at www.sgx.com. Information contained on the SGX-ST website does not constitute part of this Information Memorandum, and no representation or warranty is made in respect of the truth, accuracy or completeness of such information.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER DATA

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Information Memorandum relating to the Company has been derived from the audited consolidated financial statements of the Company as at and for the financial years ended 31 March 2022 and 2023 (the “**Financial Statements**”).

Certain financial information included in this Information Memorandum for the three months ended 30 June 2023 have not been audited, reviewed or subjected to any other procedures by the auditors of the Company. There can be no assurance that if such financial statements had been audited or reviewed that there would be no change in the financial statements and that such changes would not be material or that such financial information has been prepared and presented on a basis consistent with the accounting policies normally adopted by the Company and applied in preparing the consolidated financial statements as at and for the years ended 31 March 2022 and 2023.

Consequently, such statements may not provide the same quality of information associated with financial information that has been subject to an audit or a full review. Potential investors must therefore exercise caution when using such data to evaluate the Company's financial condition, results of operations and results.

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

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

As of the date of this Information Memorandum, the consolidated financial statements as at and for the year ended 31 March 2023 are the latest available audited or reviewed financial statements of the Company.

For the foregoing reasons, such unaudited and unreviewed financial information may not be meaningful and are not a reliable indication of the future financial performance of the Company.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

“Agency Agreement”	:	The amended and restated agency agreement dated 16 November 2020 between (1) the Company, as issuer, (2) The Bank of New York Mellon, London Branch, as principal issuing and paying agent and principal agent bank, (3) The Bank of New York Mellon SA/NV, Luxembourg Branch, as principal registrar and principal transfer agent, (4) DBS, as the Singapore issuing and paying agent, Singapore agent bank, Singapore registrar and Singapore transfer agent, and (5) the Trustee, as amended, varied or supplemented from time to time
“Agent Bank”	:	In relation to Notes cleared through a clearing system other than CDP, the Principal Agent Bank, and in relation to Notes cleared through CDP, the Singapore Agent Bank
“ANZ”	:	Australia and New Zealand Banking Group Limited
“Arrangers”	:	Citigroup and DBS
“AUD”	:	Australian Dollars
“Bearer Notes”	:	Notes in bearer form
“CDP”	:	The Central Depository (Pte) Limited
“Certificate”	:	A registered certificate representing one or more Registered Notes of the same Series, being substantially in the form set out in Part II of Schedule 1 to the Singapore Law Trust Deed or, as the case may be, Part II of Schedule 1 to the English Law Trust Deed and, save as provided in the Conditions, comprising the entire holding by a holder of Registered Notes of that Series
“CHF”	:	Swiss Franc
“Citigroup”	:	Citigroup Global Markets Singapore Pte. Ltd.
“Clearstream”	:	Clearstream Banking S.A., and includes a reference to its successors and permitted assigns
“Common Depositary”	:	In relation to a Series of Notes, a depositary common to Euroclear and Clearstream
“Companies Act”	:	Companies Act 1967 of Singapore
“Company” or “Singapore Airlines”	:	Singapore Airlines Limited

“Conditions”	:	In relation to the Notes of any Series, the terms and conditions of the Notes of any Series, which shall be substantially in the form set out in Part III of Schedule 1 of the Singapore Law Trust Deed or, as the case may be, Part III of Schedule 1 of the English Law Trust Deed, as modified, with respect to any Notes represented by a Global Note (as defined in the Singapore Law Trust Deed or, as the case may be, the English Law Trust Deed) or a Global Certificate (as defined in the Singapore Law Trust Deed or, as the case may be, the English Law Trust Deed), by the provisions of such Global Note or, as the case may be, such Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes (as defined in the Singapore Law Trust Deed or, as the case may be, the English Law Trust Deed) or, as the case may be, individual Certificates (as defined in the Singapore Law Trust Deed or, as the case may be, the English Law Trust Deed), subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Notes” as set out in Part II of Schedule 1 of the Singapore Law Trust Deed or, as the case may be, Part II of Schedule 1 of the English Law Deed, and any reference to a particularly numbered Condition shall be construed accordingly
“DBS”	:	DBS Bank Ltd.
“Dealers”	:	Persons appointed as dealers under the Programme
“Definitive Note”	:	A definitive Bearer Note, being substantially in the form set out in Part I of Schedule 1 to the Singapore Law Trust Deed or, as the case may be, Part I of Schedule 1 to the English Law Trust Deed and having, where appropriate, Coupons and/or a Talon attached on issue
“Depository Agreement”	:	The depository agreement dated 19 August 2003 made between (1) the Company, as issuer, and (2) CDP, as depository, as supplemented by a letter dated 16 November 2020 made between the Company and CDP
“Directors”	:	The directors of the Company as at the date of this Information Memorandum
“English Law Trust Deed”	:	The amended and restated English law trust deed dated 16 November 2020 made between (1) the Company, as issuer, and (2) the Trustee, as amended, varied or supplemented from time to time, pursuant to which any Notes denominated in a currency other than Singapore Dollars will be constituted and issued

“Euro” or “Euros”	:	The single currency of participating member states of the European Union
“Euroclear”	:	Euroclear Bank SA/NV, and includes a reference to its successors and permitted assigns
“FY”	:	Financial year ended or ending 31 March
“Global Certificate”	:	A global Certificate representing Registered Notes of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of (i) the Common Depositary, (ii) the Depositary and/or (iii) any other clearing system
“Global Note”	:	A global Note representing Bearer Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons or a Talon
“HSBC”	:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
“IATA”	:	The International Air Transport Association
“INR”	:	Indian Rupees
“Issuing and Paying Agent”	:	In relation to Notes cleared through a clearing system other than CDP, the Principal Issuing and Paying Agent, and in relation to Notes cleared through CDP, the Singapore Issuing and Paying Agent
“JPY”	:	Japanese Yen
“km”	:	Kilometres
“Latest Practicable Date”	:	21 July 2023
“LIBOR”	:	The meaning ascribed to such term in the Conditions
“MAS”	:	The Monetary Authority of Singapore
“n.m.”	:	Not meaningful
“Notes”	:	The notes to be issued by the Company under the Programme
“OCBC”	:	Oversea-Chinese Banking Corporation Limited
“Paying Agents”	:	The Issuing and Paying Agents and such further or other Paying Agent or Paying Agents as may be appointed from time to time under the Agency Agreement

“Pricing Supplement”	:	In relation to a Series or Tranche, a pricing supplement, to be read in conjunction with this Information Memorandum, issued specifying the relevant issue details in relation to such Series or, as the case may be, Tranche
“Principal Agent Bank”	:	The Bank of New York Mellon, London Branch
“Principal Issuing and Paying Agent”	:	The Bank of New York Mellon, London Branch
“Principal Registrar”	:	The Bank of New York Mellon SA/NV, Luxembourg Branch
“Principal Transfer Agent”	:	The Bank of New York Mellon SA/NV, Luxembourg Branch
“Programme”	:	The S\$10,000,000,000 Multi-currency Medium Term Note Programme of the Company as described in this Information Memorandum
“Programme Agreement”	:	The amended and restated programme agreement dated 16 November 2020 made between (1) the Company, as issuer, (2) Citigroup and DBS, as arrangers, and (3) ANZ, Citigroup, DBS, HSBC, OCBC, Standard Chartered, UBS and UOB, as dealers, as supplemented by the supplemental programme agreement dated 4 August 2023 made between the same parties, as amended, varied or supplemented from time to time
“Q1”	:	The first quarter of
“Registered Notes”	:	Notes in registered form
“Registrar”	:	In relation to Notes cleared through a clearing system other than CDP, the Principal Registrar, and in relation to Notes cleared through CDP, the Singapore Registrar
“S\$”, “SGD” or “\$” and “cents”	:	Singapore Dollars and cents respectively
“Scoot”	:	Scoot Pte. Ltd.
“Securities and Futures Act” or “SFA”	:	Securities and Futures Act 2001 of Singapore
“Senior Management”	:	Employees holding the rank of Senior Vice President and above

“Series”	:	(1) (in relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which (a) are expressed to be consolidated and forming a single series, (b) are identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SIA Cargo”	:	The cargo division of the Company and which operated as Singapore Airlines Cargo Pte Ltd prior to 1 April 2018
“SIAEC”	:	SIA Engineering Company Limited
“SIA Group” or “Group”	:	The Company and its subsidiaries
“SIBOR”	:	The meaning ascribed to such term in the Conditions
“SilkAir”	:	SilkAir (Singapore) Private Limited
“Singapore Agent Bank”	:	DBS
“Singapore Issuing and Paying Agent”	:	DBS
“Singapore Law Trust Deed”	:	The amended and restated Singapore Law trust deed dated 16 November 2020 made between (1) the Company, as issuer, and (2) the Trustee, as trustee, as amended, varied or supplemented from time to time
“Singapore Registrar”	:	DBS
“Singapore Transfer Agent”	:	DBS
“Standard Chartered”	:	Standard Chartered Bank (Singapore) Limited
“Swap Rate”	:	The meaning ascribed to such term in the Conditions
“Temasek”	:	Temasek Holdings (Private) Limited
“Tiger Airways”	:	Tiger Airways Holdings Pte. Ltd. (now known as Scoot Holdings Pte. Ltd.)
“Tranche”	:	Notes which are identical in all respects (including as to listing)

“Transfer Agent”	:	In relation to Notes cleared through a clearing system other than CDP, the Non-CDP Transfer Agent, and in relation to Notes cleared through CDP, the Singapore Transfer Agent
“Trust Deed”	:	In relation to Notes specified to be governed by Singapore law in the applicable Pricing Supplement, the Singapore Law Trust Deed, and in relation to Notes specified to be governed by English law in the applicable Pricing Supplement, the English Law Trust Deed
“Trustee”	:	HSBC Institutional Trust Services (Singapore) Limited, which succeeded HSBC Trustee (Singapore) Limited as trustee for the holders of the Notes under the Trust Deed, or its successor
“UBS”	:	UBS AG, Singapore Branch
“UOB”	:	United Overseas Bank Limited
“United States” or “US”	:	United States of America
“US\$”, “USD” or “US Dollars”	:	United States Dollars
“Vistara”	:	TATA SIA Airlines Limited
“%”	:	Per cent.

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

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Mr Peter Seah Lim Huat Mr Goh Choon Phong Mr Gautam Banerjee Mr Simon Cheong Sae Peng Mr David John Gledhill Ms Goh Swee Chen Mr Dominic Ho Chiu Fai Mr Lee Kim Shin Ms Jeanette Wong Kai Yuan Mr Yeoh Oon Jin
COMPANY SECRETARY	:	Brenton Wu Ming-Kaye
REGISTERED OFFICE	:	Airline House 25 Airline Road Singapore 819829
AUDITORS TO THE COMPANY	:	KPMG LLP 12 Marina View #15-01 Asia Square Tower 2 Singapore 018961
ARRANGERS	:	Citigroup Global Markets Singapore Pte. Ltd. 8 Marina View #21-00 Asia Square Tower 1 Singapore 018960 DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
PRINCIPAL ISSUING AND PAYING AGENT AND PRINCIPAL AGENT BANK	:	The Bank of New York Mellon, London Branch 160 Queen Victoria Street London EC4V 4LA United Kingdom
PRINCIPAL REGISTRAR AND PRINCIPAL TRANSFER AGENT	:	The Bank of New York Mellon SA/NV, Luxembourg Branch Vertigo Building – Polaris 2-4 rue Eugène Ruppert L-2453 Luxembourg
SINGAPORE ISSUING AND PAYING AGENT, SINGAPORE AGENT BANK, SINGAPORE REGISTRAR AND SINGAPORE TRANSFER AGENT	:	DBS Bank Ltd. 10 Toh Guan Road Level 04-11 (4B) Jurong Gateway Singapore 608838

TRUSTEE	:	HSBC Institutional Trust Services (Singapore) Limited 10 Marina Boulevard Marina Bay Financial Centre Tower 2, #46-01 Singapore 018983
LEGAL ADVISERS TO THE ARRANGERS AND DEALERS	:	Clifford Chance Pte. Ltd. Marina Bay Financial Centre 25th Floor, Tower 3 Singapore 018982
LEGAL ADVISERS TO THE COMPANY	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement. Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this summary.

Company	:	Singapore Airlines Limited
Arrangers	:	Citigroup and DBS
Principal Issuing and Paying Agent	:	The Bank of New York Mellon, London Branch
Principal Registrar and Principal Transfer Agent	:	The Bank of New York Mellon SA/NV, Luxembourg Branch
Singapore Issuing and Paying Agent, Singapore Registrar and Singapore Transfer Agent	:	DBS
Dealers	:	ANZ, Citigroup, DBS, HSBC, OCBC, Standard Chartered, UBS and UOB
Description	:	S\$10,000,000,000 Multi-currency Medium Term Note Programme
Programme Size	:	Subject to the terms of the Programme Agreement, the maximum aggregate principal amount of the Notes outstanding at any time shall be S\$10,000,000,000 (or its equivalent in other currencies)
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore Dollars, US Dollars, Euros or any other currency agreed between the Company and the relevant Dealer(s)
Issue Price	:	At par, discount or premium
Issuances in Series	:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. In relation to Notes other than Variable Rate Notes, the Notes of each Series will all be subject to identical terms (including as to listing), except that the issue dates, issue prices and/or dates of the first payment of interest may be different in respect of different Tranches. In relation to Variable Rate Notes, the Notes will be identical in all respects (including as to listing) except for their respective issue prices and rates of interest. The Notes of each Tranche will all be subject to identical terms in all respects (including as to listing)

Pricing Supplements	:	Each Tranche will be the subject of a Pricing Supplement which, for the purposes of that Tranche only, supplements the Terms and Conditions of the Notes and must be read in conjunction with this Information Memorandum. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as supplemented, amended and/or replaced by the relevant Pricing Supplement
Maturities	:	Subject to compliance by the Company with all relevant laws, regulations and directives, Notes shall have maturities as may be agreed between the Company and the Relevant Dealer(s)
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement
Mandatory Redemption	:	Unless previously redeemed and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face (if it is shown on its face to be a Fixed Rate Note, Hybrid Note (during the fixed rate period) or Zero Coupon Note) or on the interest payment date falling in the redemption month shown on its face (if it is shown on its face to be a Floating Rate Note, Variable Rate Note or a Hybrid Note (during the floating rate period))
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity
Floating Rate Notes	:	Floating Rate Notes will bear interest at a floating rate determined by reference to a benchmark as stated on the face of such Floating Rate Note, being SIBOR (in which case such Note will be a SIBOR Note), Swap Rate (in which case such Note will be a Swap Rate Note) or LIBOR (in which case such Note will be a LIBOR Note) or in any other case such other benchmark as set out on the face of such Note, as adjusted for any applicable spread Interest periods in relation to the Floating Rate Notes will be agreed between the Company and the relevant Dealer(s) prior to their issue
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the terms and conditions of the Notes Interest periods in relation to the Variable Rate Notes will be agreed between the Company and the relevant Dealer(s) prior to their issue

Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Company and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and at maturity and, during the floating rate period to be agreed between the Company and the relevant Dealer(s), at a floating rate determined by reference to a benchmark as stated on the face of such Hybrid Note, being SIBOR, Swap Rate or LIBOR or in any other case such other benchmark as set out on the face of such Note, as adjusted for any applicable spread, in each case payable at the end of each interest period to be agreed between the Company and the relevant Dealer(s)
Zero Coupon Notes	:	Zero Coupon Notes will bear no interest
Form and Denomination of Notes	:	The Notes will be issued in bearer form or registered form and in the denomination of S\$250,000 each (in respect of Notes which are denominated in Singapore Dollars) or such other denomination as the Company and the relevant Dealer(s) may agree
Depository	:	CDP, Euroclear and/or Clearstream, or such other depository as may be stipulated in the relevant Pricing Supplement
Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unsubordinated, unconditional and unsecured obligations of the Company. The Notes shall at all times rank <i>pari passu</i> amongst themselves (irrespective of whether constituted by the Singapore Law Trust Deed or the English Law Trust Deed) and equally with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company
Negative Pledge	:	So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Company shall not create or have outstanding any mortgage, charge, pledge, lien or other form of encumbrance or security interest (" security "), except for any Permitted Security, on or over its undertaking, assets, property or revenues, present or future, unless, at the same time or prior thereto, the Company's obligations under the Notes, the Coupons and the Trust Deed (a) are secured equally and rateably therewith to the satisfaction of the Trustee or (b) have the benefit of such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed)

“Permitted Security” means any of the following:

- (1) any security over any fixed asset existing as at the date of the Trust Deed and disclosed to the Trustee in writing on or prior to the date of the Trust Deed (but, except with the prior consent of the Trustee, the amount secured by such security may not be increased);
- (2) any security over any fixed asset arising solely by operation of law;
- (3) any security created over any fixed asset acquired by it after the date of the Trust Deed for the sole purpose of financing that acquisition and securing an amount not exceeding the cost of that acquisition;
- (4) any security created over any asset to secure any of its indebtedness **provided that** the aggregate amount of the assets (excluding right-of-use assets) securing such indebtedness shall not at any one time exceed an amount equal to 50 per cent. of the Total Fixed Assets; and
- (5) any other security created or outstanding over any fixed asset approved by an Extraordinary Resolution

In this paragraph:

“Aircraft Amount” means the aggregate book value, net of depreciation, of aircraft, spares and spare engines, all as shown in the latest balance sheet of the Company made available to its members (whether audited or unaudited); and

“Total Fixed Assets” means the Aircraft Amount and the aggregate book value, net of depreciation, of fixed assets (other than aircraft, spares and spare engines), investments in subsidiary companies, associated companies and joint ventures of the Company, and long term investments (excluding right-of-use assets), all as shown in the latest balance sheet of the Company made available to its members (whether audited or unaudited)

Taxation

: All payments of principal and interest by or on behalf of the Company in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Company shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (i) Other connection: by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of it being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or having a permanent establishment in, Singapore); or
- (ii) Presentation more than 30 days after the Relevant Date: more than 30 days after the Relevant Date (as defined in the Conditions) except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or
- (iii) Declaration of Residence: by or on behalf of a holder to whom payment may be made free and clear of such withholding or deduction by making a declaration of residence or other similar claim for exemption and does not make such declaration or claim

For the avoidance of doubt, neither the Company nor any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement)

For further details, see the section on “Taxation – Singapore Taxation” below

Listing	: Each Series of Notes may, if so agreed between the Company and the relevant Dealer(s), be listed on the SGX-ST, subject to all necessary approvals having been obtained. The Programme also permits Notes to be issued on an unlisted basis or to be admitted for listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be decided by the Company
	If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in foreign currencies)
Selling Restrictions	: For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see "Subscription, Purchase and Distribution". Further restrictions may apply in connection with any particular Series or Tranche of Notes
	Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the " D Rules ") unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the " C Rules ") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 (" TEFRA "), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable. See "Form of the Notes"
Trustee	: HSBC Institutional Trust Services (Singapore) Limited
Governing Law	: Notes issued pursuant to the Singapore Law Trust Deed shall be governed by, and construed in accordance with, the laws of Singapore. Notes issued pursuant to the English Law Trust Deed shall be governed by, and construed in accordance with, the laws of England

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors or existing holders of the Notes should carefully consider all the information set forth in this Information Memorandum including the following risk factors that may affect the business, operational results, financial position, performance or prospects of Singapore Airlines. As the market value of the Notes is affected by, amongst other things, interest rates, liquidity, exchange rates and Singapore Airlines' business performance, these risk factors could have an indirect effect on the value of the Notes. The Notes are thus not considered to be risk-free. This summary of risk factors does not purport to be an exhaustive list of all the risks that may be involved in the business of Singapore Airlines or the Group. There may be additional risks which Singapore Airlines is currently unaware of which may also impair its, or the Group's, business, financial condition, performance or prospects. Prospective investors are advised to consider the nature of their prospective investment in relation to all risks. If any of the following risk factors develop into actual events, the business, results of operations and financial condition of the Company and/or the Group could be materially and adversely affected. In such cases, the ability of the Company to comply with its obligations under the Trust Deed and the Notes may be adversely affected.

RISKS RELATING TO THE GROUP'S BUSINESS

The COVID-19 pandemic has been one of the most significant global health crises in recent times and although the risks of reimposition of COVID-19 measures has subsided, the emergence of new COVID-19 variants in the future could lead to resurgence in infection rates. The outbreak of other epidemics, pandemics, natural or other calamities and terrorism could also have an adverse effect on the Group's business, operating results, financial condition and liquidity

The COVID-19 pandemic and measures taken to mitigate the spread of COVID-19 (including border controls, restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses) severely impacted economic activity and led to a global collapse in the demand for air travel. However, the Group marked an important turning point in the battle against COVID-19 with Singapore and major world economies easing border restrictions. The launch of the Vaccinated Travel Lane arrangements in September 2021, which allowed quarantine-free entry into the country for vaccinated passengers, finally helped to unlock the significant pent-up demand for international travel, leading to a recovery in the Group's passenger revenues.

The demand for air travel continued to surge in FY2023 after Singapore fully reopened its borders in April 2022 and as restrictions on international air travel eased globally. Singapore Airlines and Scoot collectively carried 26.5 million passengers in FY2023, up six times from a year before. The Group reported a net profit of S\$2.2 billion and an operating profit of S\$2.7 billion in FY2023. Please refer to the section titled "Financial Review" for additional details on the Group's financial status.

The COVID-19 outbreak has exposed the risks of sudden stoppages of economies and supply chain disruptions worldwide, and country-specific policies to contain COVID-19 could also have significant spillovers to global activity and financial markets. Even as most parts of the world are moving from a pandemic into an endemic state of COVID-19 and with the World Health Organisation declaring on 5 May 2023 that COVID-19 is no longer a global health emergency, there is no assurance that the COVID-19 pandemic will not worsen or that other variants which may be more transmissible or may cause more severe effects will not emerge in the future, which could in turn cause a deterioration of the Group's business, financial condition, prospects and results of operations.

In addition, the outbreak of another contagious disease with human-to-human airborne or contact propagation effects (e.g., mutation of COVID-19, Avian Flu H5N1, Severe Acute Respiratory Syndrome (“SARS”), Ebola, Middle East respiratory syndrome coronavirus, etc.) that escalates into a regional or global epidemic or pandemic may have an adverse impact on all airlines, including Singapore Airlines which may operate to or from such affected areas/regions. The demand for air travel may be severely reduced as international and national response plans, which may include tightening of border controls and closure or restriction of access to airspace or airports around the world, are put in place to address such contagion. In addition, natural calamities such as earthquakes, floods, volcanic eruptions or tsunamis may devastate destinations and significantly reduce travel to the affected areas for a period of time. Terrorism and war (and threats of terrorism and war) and civil/political strife may also contribute to a fear of travelling by air, or visiting particular destinations, resulting in a sharp fall in demand for air travel. These events may also result in the closure or restriction of access to airspace or airports. Given that Singapore Airlines’ services depend on the availability of these facilities and the general accessibility of destinations, its business and operations could also be adversely affected by the occurrence of any such events.

Inadequate liquidity could negatively impact the business and financial position of the Group

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

Should any of the Group’s existing credit/borrowing facilities be cancelled, reduced or otherwise not be made available to the Group, the Group’s liquidity and cash flow position may be materially and adversely affected. While the Group intends to continue to explore traditional funding channels such as secured financing, sale-and-leaseback transactions and debt capital markets, there is no assurance that the Group will be able to raise financing through such funding channels on acceptable terms or at all.

Fluctuations in jet fuel prices may affect the Group’s earnings

Historically, fuel costs have been subject to wide price fluctuations based on geopolitical issues and supply and demand. Due to the variety of factors that affect the price of fuel, the cost of fuel cannot be predicted with any degree of certainty.

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

For FY2023, a change in price of one US Dollar per barrel of jet fuel would have affected the Group’s annual fuel costs by S\$42.7 million. This is on the assumption that uplifted fuel volume remains constant and the effects of hedging are excluded.

As the aviation sector recovers from the COVID-19 pandemic, there will be an increase in the Group's capacity and hence fuel consumption. In FY2023 there was a S\$3.0 billion increase in net fuel cost, driven by a 49.6 per cent. increase in fuel prices and higher volumes uplifted, partially offset by higher fuel hedging gains. There is no assurance that net fuel cost will not increase significantly in the future or that the Group will not experience significant marked-to-market losses in its profit and loss statement arising from the effects of hedging.

The Group is exposed to the risk of impairment in the value of its fleet and review of the Group's fleet and route network over the long-term may give rise to further material impairments on carrying fleet value

When acquiring a new aircraft, the Group generally enters into an agreement with the manufacturer to purchase the aircraft. As the financing decision is typically taken prior to the expected delivery of the aircraft, the Group can therefore be exposed to fluctuations in the secondary market for aircraft. When used for impairment testing, the market value of the Group's aircraft may be adversely affected by fluctuations in the exchange rate between the Singapore Dollar and the US Dollar, as the quoted aircraft market values are mainly denominated in US Dollars but the aircraft on the Group's balance sheet are accounted for and recognised in Singapore Dollars. In addition, a large number of similar aircraft brought on the market for sale within a short period of time may result in a significant downward pressure on market prices for those aircraft, as the supply becomes disproportionate to the existing demand.

Any decrease in the value of the aircraft could also have an adverse effect on the Group's financial position, should the carrying value of the aircraft need to be impaired due to the difference in the carrying value and the recoverable amount of such aircraft. In accordance with Singapore Financial Reporting Standards (International), the carrying value of the fixed assets is subject to periodic depreciation and is reviewed for impairment whenever there is an indication that their carrying values could exceed their recoverable amount. As a result of such tests, the Group is likely to be required to recognise an impairment loss in its income statement should the carrying value of the assets be in excess of their recoverable amount. Factors that could trigger an impairment of assets include, but are not limited to, changes in the market valuation of used aircraft, possible future underperformance of the Group's business relative to projected future operating results and cash flows, negative industry or macroeconomic developments as well as changes in discount rates or applicable tax rate. The recognition of any impairment losses will generally have a material adverse effect on its business, results of operations and financial condition.

There is no assurance that any material impairment loss will not occur in a future period, whether arising from fluctuations in exchange rates, a large supply of aircraft resulting in downward pressure on aircraft prices, an inability to generate cashflows, changes in the market valuation of used aircraft or other factors.

Geo-political events may affect demand for air travel

The Group's business consists substantially of carriage of passengers and freight globally. It will be affected if there is a widespread reduction in the demand for air travel arising from geo-political events that cause customers to reduce or avoid air travel, or that prevent the Group from delivering its services.

Following global recovery from the COVID-19 pandemic, global growth has slowed due to geo-political risks and the associated supply chain disruptions, rising interest rates and rising inflation. The Russia-Ukraine conflict, which started in February 2022, along with the economic sanctions imposed on Russia by the US, other countries and certain international organisations, have caused macroeconomic uncertainties such as disruptions to global supply chains, increased inflationary pressures from a rise in energy and commodities prices and increased volatility in global markets. This is expected to hurt consumer purchasing power globally, potentially affecting demand for air travel.

Trade tensions between the US and major trading partners, most notably China, remain heightened following the introduction of a series of tariff measures in both the US and China and a US investment ban on several Chinese companies, and these tensions could significantly impact global trade. Such tensions are set to continue in the areas of data and technology security, the maritime claims in the South and East China Seas, and human rights accusations. In addition, rising tensions in the Indo-Pacific regions (including between China and Taiwan) have in the past affected and may in the future affect global financial markets.

Against this backdrop, central banks around the world, including in the US and several large emerging markets, have tightened monetary policy. The financial condition of banking institutions has also recently come under severe pressure and deterioration, as exemplified by the proposed restructuring of Credit Suisse Group AG, the failures of Silicon Valley Bank and Signature Bank and the rescue of First Republic Bank which have caused increased volatility in capital markets. A high degree of uncertainty over the global outlook remains. Heightened geopolitical uncertainties, increased risks of inflation and tighter monetary policy leave the global economy more vulnerable and raise the risk of a global recession.

Uncertain and unfavourable economic conditions and, in particular, future political and economic factors which have the effect of reducing expenditure for air travel and freight services, may materially and adversely affect the Group's business, financial condition and results of operations or prospects.

The airline industry tends to experience adverse financial performance during general economic downturns

International air transportation is intimately linked and correlated with economic growth. The growth or decline in economic activity directly affects demand for business travel by air and for cargo space. Economic downturns can also impact leisure travel as discretionary income is affected.

Since a substantial portion of airline travel, for both business and leisure, is discretionary, the airline industry tends to experience adverse financial performance during an economic downturn. Yields may also experience a decline as airlines may offer fare discounts in certain markets to stimulate demand.

The Group's business depends substantially on general economic conditions in Asia. As the airline industry is generally characterised by high fixed costs, including aircraft costs such as aircraft depreciation, lease rentals, maintenance and repair costs, a drop in revenue levels as a result of a slower economic cycle could have an adverse impact on the Group's financial performance. It is difficult to predict the duration and effects of an economic downturn, which may be aggravated by volatility in the financial sector and the capital markets, leading to significant market-wide liquidity problems. These conditions may adversely affect the Group's financial condition and/or results of operations in the future.

The international aviation market is highly competitive

The Group's hub location in Changi Airport, Singapore, enjoys geographical advantages in linking traffic between regions. Changi Airport faces competition from the development and growth of other hub airports in the Asia-Pacific and/or the Middle East that may draw traffic away or allow traffic to by-pass Changi Airport. A decline in traffic may be experienced by the Group should international air traffic patterns shift to other airports and by-pass Changi Airport.

The international aviation market is highly competitive. As an international full-service carrier, Singapore Airlines competes for passengers with other major full-service airlines. Any liberalisation of traffic rights or change of traffic pattern in respect of a major route that the Group operates will result in increasing competition or loss in demand on that route. A significant and prolonged reduction in yields or loss of market share to competitors would impact Singapore Airlines' operational results.

Airlines with different business models continue to pose potential threats to full-service airlines. Such business models include low-cost airlines and all premium class airlines offering similar routes. Low-cost airlines may compete on short haul sectors of up to approximately four hours, or on long-haul sectors including Asia-Europe or Asia-Australia.

The airline industry is a highly regulated industry that may require significant costs to be incurred in meeting existing and new regulations and policies

Safety, environmental and similar regulations impose significant requirements and compliance costs on the Group's business. For the Group's airlines to maintain their air operator certificates, they have to comply with regulations in Singapore and elsewhere. These regulations deal mainly with safety issues from aircraft airworthiness to training of crew. Governments across the world have also become more active in regulatory intervention on issues ranging from environmental protection to anti-corruption and consumer welfare. The Group may be required to devote additional resources to implement processes to ensure compliance with mandatory climate and carbon emissions reporting requirements. Potential emergence of uncoordinated climate policies and mandates on product and services at the regional or national level may further create market distortion and lead to increased compliance cost for the Group. It remains uncertain how much of such cost burden the Group can pass on to consumers and what the impact would be of such action on consumer demand and overall revenue.

Governments may impose additional regulations on airlines to address public health management concerns in response to an outbreak of a contagious disease like the COVID-19 pandemic. In some instances, governments may also adopt restrictive policies with respect to the issuance of certain permits and approvals. Changes in such regulations and policies, or the administration of such regulations and policies, could have an adverse impact on the Group's business by increasing costs, impeding normal service, restricting market access and benefiting its competitors. In addition, such laws and regulations and policies may be ambiguous and their interpretations and applications may potentially be detrimental to the Group. In the event that the Group does not fully comply with such laws and regulations and policies in the conduct of its business or operations, there can be no assurance that any such non-compliance would not have a material and adverse effect on the Group's business, operational results, financial position, performance or prospects.

The Group may face an increase in airport services related costs which represent a significant part of the Group's operating costs

Air traffic control, airport, transit and take-off and landing fees, as well as security charges represent a significant part of the Group's operating costs. There is no assurance that such costs will not continue to increase or that the Group will not incur new costs in Singapore or elsewhere. The Group may also be required to incur such costs even when capacity is significantly reduced. New costs could arise if, for example, airport, noise or landing charges and fees were to be levied based on environmental criteria such as aircraft noise or emission levels, or if airlines were forced to assume additional security responsibilities. Furthermore, it is possible that security regulations worldwide could be further tightened, particularly if terrorist attacks occur, and that security charges or other costs arising from security measures at airports around the world, could increase further.

If the Group is unable to pass any increases in charges, fees or other costs on to its customers, these increases could have a material and adverse effect on the Group's business, operational results, financial position, performance or prospects.

The Group's operations are dependent on its aircraft, equipment, information technology systems and other assets, which are subject to failure risks

The Group's operations result in the normal wear and tear of its aircraft. The Group's equipment, information technology ("IT") systems and other assets may also break down. Consequently, the Group's aircraft, equipment, IT systems and other assets used in its operations require periodic downtime for repairs and maintenance. If the frequency of or time required for such repairs and maintenance exceeds the scheduled period, the Group's operations and financial performance may be adversely affected.

In general, the cost of maintaining an aircraft in good operating condition increases with the age of the aircraft. As the Group's aircraft fleet ages, the Group will incur increased maintenance costs. Older aircraft cost more to maintain because they have sustained more wear and tear over time.

In addition, if any extraordinary or extensive repairs to the Group's aircraft, equipment, IT systems or other assets are required, due to any catastrophic event or otherwise, the Group's aircraft, equipment, IT systems or other assets would not be available for use or deployment. While insurance proceeds may cover the costs associated with such repairs, they would only compensate for the loss of use of some of the assets to a limited degree. In the event of any such extraordinary or extensive repairs, the Group's operations could experience major disruptions. The Group's aircraft may also not be available for use or deployment in the event that there is a regulatory suspension of operation of certain aircraft. For example, the Group had in March 2019 temporarily withdrawn its Boeing 737 MAX 8 fleet (comprising six aircraft) from service pending further notice in connection with the temporary suspension of operation of all variants of the Boeing 737 MAX aircraft into and out of Singapore by the Civil Aviation Authority of Singapore ("CAAS"). The Boeing 737 MAX fleet eventually returned to service in November 2021, following the lifting of restrictions by the CAAS and the implementation of a series of enhancements by the Group to address safety concerns. The loss of its aircraft, equipment, IT systems or other assets or the inability to use its aircraft, equipment, IT systems or other assets may materially and adversely affect its business, operational results, financial position, performance or prospects.

The Group is dependent on its IT systems and third-party telecommunications systems, including websites, reservations, departure control, operational systems, online booking and revenue management systems, to provide integrated services to its customers. The provision of the Group's services depends on the stability of its IT systems, and the external infrastructure network and systems of its third-party providers. Both the IT systems and the external infrastructure network and systems may be vulnerable to damages or interruptions in operation due to fires, power losses, telecommunications systems failures, break-ins (whether physical or into its systems), compromises in internal controls, fraudulent activities, computer viruses, the failure of security measures or back-up systems, or other events beyond the Group's control.

The Group may be subject to cyber-attacks and other cybersecurity risks and threats

The Group's cybersecurity measures may not detect or prevent all attempts to compromise its IT systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardise the security of information stored in and transmitted by its IT systems or that the Group otherwise maintains. Breaches of the Group's cybersecurity measures could result in unauthorised access to its IT and other systems, misappropriation of information or data (including personal data), deletion or modification of customer information, or a denial-of-service or other interruption to its business operations.

In 2021, the Group's frequent flyer programme was affected by a data security breach involving the passenger service system servers of SITA, an air transport IT company. Although the Group was not a customer of SITA Passenger Service System (US) Inc. ("**SITA PSS**"), the breach of the SITA PSS server had affected some KrisFlyer and PPS members. All Star Alliance member airlines had a restricted set of frequent flyer programme data of the other alliance members in their respective passenger service systems. As one of the Star Alliance member airlines was a SITA PSS customer, SITA had access to the restricted set of frequent flyer programme data, including those of Singapore Airlines.

While the Group has disaster recovery and business continuity plans as well as other cybersecurity systems and controls in place, any inability of the Group to prevent or contain the effects of any cyber-attacks, or prevent other privacy or data security incidents that result in security breaches or result in the unintended dissemination of sensitive personal information or proprietary or confidential information may result in the loss of important data and ticket sales and/or result in the Group incurring financial losses, substantial regulatory fines or penalties, reputational harm and disruption to its business and this may also lead to material adverse effect on its business, financial condition, results of operations and/or prospects.

The Group may face disruption in its IT systems or internet networks

The efficient operation of the Group's business depends on its IT systems. The Group relies on its IT systems to, among other things, schedule and manage the provision of services to its customers, effectively manage accounting and financial functions and monitor internal cost factors. If the Group experiences an interruption or a reduction in the performance, reliability or availability of its information systems from natural or man-made causes, or from disruptions from its local service providers, its operations and ability to manage its administrative systems could be adversely impacted. Any disruption in its IT systems or technical failures associated with its IT systems, including those caused by power failures, computer viruses and other unauthorised tampering may cause interruptions in its ability to provide services to its customers.

The Group relies heavily on the internet. Any disruption in internet networks could prevent or deter people from using the internet to conduct transactions. Such disruption in turn may adversely affect the Group's business, operational results, financial position, performance or prospects.

The Group depends on its personnel, especially senior professional managers, key management staff and flight crew

The successful implementation of the Group's strategy is dependent on its ability to retain a talented and motivated team of senior professional managers and key management staff, and continue having a strong employer brand to attract new talent. From time to time, the airline industry has experienced a shortage of skilled personnel. The Group competes against all other airlines for these highly skilled personnel. If the Group is unable to hire, train and retain qualified employees, the Group's business and operations may be materially and adversely affected.

During the COVID-19 pandemic, the Group made a strategic decision to retain as many of its talented and trained pool of ground staff, pilots and cabin crew as possible. This was achieved through collective pay cuts and sacrifices by the staff, which helped to keep involuntary redundancies to a minimum. The Group's staff were also continually trained and upskilled during the low-flying period. This ensured that the staff were well-prepared for the COVID-19 recovery and allowed the Group to readily ramp up capacity in response to an uptick in travel demand.

The Group also recognises the importance of looking past COVID-19 recovery and preparing itself for further growth in the long-term. As such, Singapore Airlines and Scoot resumed its cabin crew recruitment in February 2022 and December 2021 respectively, after a two-year hiatus. Any inability of the Group to hire and retain talent in critical positions may materially and adversely affect the Group's business and operations, including growth prospects.

As the Group is based in Singapore, it is obliged to comply with labour laws in Singapore which, among other things, permit collective bargaining arrangements, with its unionised staff. Maintaining a collaborative relationship between management, staff and unions is vital in ensuring that the Group's strategies and objectives are met. Labour disputes may potentially cause adverse effects on its business, operational results, financial position, performance or prospects.

The Group may enter into joint ventures to establish strategic alliances which expose the Group to certain risks

From time to time the Group enters into joint ventures to establish strategic alliances and may incur obligations and liabilities as a result. Such obligations and liabilities may continue notwithstanding the termination, or disposal by the Group of its interest in, the joint venture. Disagreements may occur between the Group and a joint venture partner regarding the business and operations of the joint venture which may not be resolved amicably. In addition, a joint venture partner of the Group may (a) have economic or business interests or goals that are not aligned with those of the Group; (b) take actions contrary to the Group's instructions, requests, policies or objectives; (c) be unable or unwilling to fulfil their obligations; (d) have financial difficulties; (e) have disputes with the Group as to the scope of their responsibilities and obligations; or (f) be involved in incidents of non-compliance with regulatory requirements, resulting in an adverse impact to the reputation of the joint venture.

If a joint venture partner of the Group (a) is unable to fulfil its contractual obligations or (b) experiences a decline in creditworthiness, the performance of the Group's joint venture entity may be materially and adversely affected which in turn may materially and adversely affect the Group's business, operational results, financial position, performance or prospects. In the event that a joint venture's performance is materially and adversely affected, there is no assurance that the Group will not be required to write-down the value of its investments in such joint venture.

In addition, a joint venture may also request further injection of capital from the Group and its joint venture partners. In the event that the Company does not participate in such capital injection by way of equity, the Company may experience a dilution in its shareholding interest.

The Group may not be successful in implementing its future plans

The Group's future plans involve numerous uncertainties and risks. These include but are not limited to, (a) the Group successfully entering into and developing new businesses which may be complementary, or which may add value to the Group's business; or (b) the Group's fleet renewal programme involving the investment in new-generation aircraft (both as a replacement for the existing fleet and for growth) to provide an enhanced travel experience to customers and which will provide better operating efficiency and lower emissions. Such plans may require substantial capital expenditure, the incurrence of working capital requirements and additional financial resources and commitments.

There is no assurance that these plans will achieve the expected results or outcome such as an increase in revenue that will be commensurate with the Group's investment costs, or the ability to generate any cost savings, operational efficiencies and/or productivity improvements to its operations.

The Group continues to invest in more new-generation aircraft, both as a replacement for the existing fleet and for growth and as a result, in some financial years, the Group's capital expenditure exceeded its internally generated cash flow. To support its expenditure, the Group has been tapping the unsecured and secured debt financing markets. As at 31 March 2023, the Group had firm orders for 101 aircraft, with options and/or purchase rights for a further 28 aircraft. These aircraft purchases are intended to enable the Group to proceed with its adoption of new-generation aircraft. These are expected to not only provide an enhanced travel experience to the Group's

customers, thereby enabling Singapore Airlines to maintain its leading industry position as one of the most awarded airlines globally, but also to provide better operating efficiencies and lower emissions. However, the Group's commitments in these binding aircraft orders could also prove less profitable than expected at the time of placement of the orders. If there are delays in the deliveries or if the investment in these additional aircraft does not generate the expected levels of returns, either because of a weaker revenue environment, or if certain aircraft in their operations exceed the planned operating costs or fail to meet anticipated technical performance levels, the Group's business, operating results, financial position, performance, ability to carry out its fleet renewal programme or other future plans, or prospects could be adversely affected. In the event that the operations of the Group's aircraft do not generate the cashflows as expected, the value of the aircraft to the Group would be lower and may require impairments to be recognised by the Group.

The proposed merger of TATA SIA Airlines Limited ("**Vistara**") and Air India Limited ("**Air India**") (a wholly-owned subsidiary of Talace Private Limited) ("**Proposed Merger**") is subject to and conditional upon the satisfaction and/or waiver of various conditions precedent, including anti-trust and merger control approvals in India, Singapore and other relevant jurisdictions, the approval of the Indian civil aviation authority, as well as other governmental and regulatory approvals. There is a risk that the Proposed Merger will not take place because of, *inter alia*, the failure to satisfy or obtain waiver of conditions precedent. As a result, the Group may not be able to have a stake in the enlarged Air India as it had intended or capture the growth in India's aviation market as it had wanted to. In the event that the Proposed Merger does not generate the business revenue as expected, the Group's future plans or prospects could be adversely affected.

If (a) the results or outcome of the Group's plans do not meet its expectations, (b) the Group fails to achieve a sufficient level of revenue or (c) the Group fails to manage its costs efficiently, the Group will not be able to recover its investment and its future financial performance, business operations and/or financial condition would be adversely affected.

The Group is subject to risks of litigation

The Group's operations involve inherent risks to both persons and property. For example, an aviation accident could result in the loss of life and/or cargo. Defending private actions can be costly and time-consuming. If a judgment against the Group were to be rendered, the Group may be exposed to substantial financial liabilities, which may not be covered or adequately covered by insurance.

Due to risks of litigation, the Group is also exposed to liability arising from the normal operations of its airline business. To meet the cost of such contingencies, the Group is presently insured against liability towards passengers and third parties arising in connection with the operation of its aircraft, but there is no assurance that all such liabilities are covered or adequately covered by insurance.

Singapore Airlines' reputation, brand image or brand name may be damaged

Singapore Airlines' brand and those brand names with which it is associated (including Scoot) have significant commercial value. Damage to these brand names and/or Singapore Airlines' wider reputation could have a material adverse effect on its business, operational results, financial position, performance or prospects. For example, Singapore Airlines relies on positive brand recognition to attract customers and investors. Any damage to Singapore Airlines' reputation, brand image or brand name, and damage to other brands with which it is associated, whether through a single event or a series of events, could have a material and adverse effect on Singapore Airlines' ability to market its services and attract and retain customers.

Fluctuations in foreign exchange rates may have an impact on the financial performance of the Group

The Group is exposed to the effects of foreign exchange rate fluctuations because of its foreign currency denominated operating revenues and expenses. For FY2023, these accounted for 68.1 per cent. of total revenue and 54.6 per cent. of total operating expenses. The Group's largest currency exposures are to US Dollar, Euro, Pound Sterling, Australian Dollar, New Zealand Dollar, Japanese Yen, Indian Rupee, Hong Kong Dollar, Chinese Renminbi and Indonesian Rupiah. For FY2023, the Group generated a surplus in all of these currencies, with the exception of US Dollar. The deficit in US Dollar is attributable to capital expenditure, fuel costs and aircraft leasing costs which are all conventionally denominated and payable in US Dollar.

The Group manages its foreign exchange exposure by a policy of matching, as far as possible, receipts and payments in each individual currency. Surpluses of convertible currencies are sold, as soon as practicable, for US Dollars and Singapore Dollars. The Group also uses foreign currency forward contracts and option contracts to hedge a portion of its future foreign exchange exposure.

Fluctuations in interest rates may have an impact on the financial performance of the Group

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

The investments of the Group are subject to market price risk

As at 31 March 2023, the Group owned investments of S\$443.3 million, out of which S\$91.2 million are subject to market rate risk. The market rate risk associated with these investments is the potential loss resulting from a decrease in market prices.

The Group is exposed to counterparty and credit risk

Counterparty risks are managed by limiting aggregated exposure on all outstanding financial instruments to any individual counterparty, taking into account its credit rating. Such counterparty exposures are regularly reviewed and adjusted as necessary. This mitigates the risk of material loss arising in the event of non-performance by counterparties.

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

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

The sale of passenger and cargo transportation is largely achieved through IATA accredited sales agents. The credit risk of such sales agents is relatively small owing to broad diversification. Receivables and payables among airlines are generally settled either bilaterally or via the IATA clearing house. Receivables and payables are generally netted at weekly intervals, which leads to a reduction in the risk of default.

RISKS ASSOCIATED WITH AN INVESTMENT IN THE NOTES

There may be no active trading market for the Notes

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. The lack of liquidity may have a severely adverse effect on the market value of the Notes.

Fluctuation of Market Value of Notes

Trading prices of the Notes are influenced by numerous factors, including (a) the market for similar securities, (b) the operating results and/or financial condition of the Company and/or its subsidiaries and/or associated companies (if any) and (c) political, economic, financial and any other factors that can affect the capital markets, the industry, the Company, its subsidiaries and/or associated companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Company, its subsidiaries and/or associated companies (if any) operate or have business dealings, could have a material adverse effect on the operating results and/or the financial condition of the Company, its subsidiaries and associated companies (if any).

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

Inflation Risk

Noteholders may suffer erosion on the real return of their investments due to inflation. Noteholders may have an anticipated real rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual real returns.

Singapore Taxation Risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2028 are, pursuant to the Income Tax Act 1947 of Singapore (“ITA”) and the MAS Circular FDD Cir 08/2023 entitled “Qualifying Debt Securities (“QDS”) and Primary Dealer Schemes – Extension and Refinements” issued by the MAS on 31 May 2023, intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the “Taxation – Singapore Taxation” section of this Information Memorandum.

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

Anti-money laundering and terrorism

The Trustee may take and instruct any delegate to take any action which the Trustee considers appropriate so as to comply with law, regulation, request of a public or regulatory authority or policy which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities, including but not limited to the interception and investigation of transactions. There is a risk that such action may delay or prevent the processing of payment instructions, the settlement of transactions or the Trustee's performance of its obligations under the Trust Deed. In such circumstances, the Trust Deed provides that any delay in the payment by Singapore Airlines under the Trust Deed or the Notes which is caused by the Trustee taking such action shall not in itself constitute an Event of Default under the Notes or a breach of any provision of the Trust Deed or the Notes and that Singapore Airlines shall not be liable for any further interest (including default interest) on the Notes resulting from such non-payment.

Performance of contractual obligations by the Company is dependent on other parties

The ability of the Company to make payments in respect of the Notes may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee, the Issuing and Paying Agents, the Agent Banks, the Registrars and/or the Transfer Agents of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Company of its obligations to make payments in respect of the Notes, the Company may not, in such circumstances, be able to fulfil its obligations to the Noteholders and the Couponholders.

Notes may be issued at a substantial discount or premium

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

The Notes are redeemable in the event of certain withholding taxes being applicable

No assurances are made by the Company as to whether or not payments on the Notes may be made without withholding taxes or deductions applying from the date of issue of the first Tranche of Notes for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any political subdivision therein, territory, possession thereof or authority therein or thereof having power to tax.

Although, pursuant to the Terms and Conditions of the Notes, the Company is required to gross up payments on account of any such withholding taxes or deductions, the Company also has the right to redeem the Notes at any time subject to certain specified exceptions in the event that it has or will become obliged to pay additional amounts on account of any existing or future withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any political subdivision, territory, possession thereof or any authority therein having power to tax as a result of any change in, or amendment to, the laws of Singapore or any regulations or rulings promulgated thereunder, or any change in the application or official interpretation of such laws, rulings or regulations (including a holding by a court of competent jurisdiction), which change or amendment is made public on or after the Issue Date of any Notes or any other date specified in the Pricing Supplement.

The Notes are not secured

The Notes and the Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves. Accordingly, on a winding-up or dissolution of the Issuer at any time prior to maturity of any Notes, the Noteholders will not have recourse to any specific assets of the Issuer and its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Notes and/or Coupons owed to the Noteholders and there can be no assurance that there would be sufficient value in the assets of the Issuer after meeting all claims ranking ahead of the Notes, to discharge all outstanding payment and other obligations under the Notes and/or Coupons owed to the Noteholders.

The Notes may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable amendment or supplement to this Information Memorandum or any Pricing Supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

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

Application of Singapore insolvency and related laws to the Company may result in a material adverse effect on the Noteholders

There can be no assurance that the Company will not become bankrupt, unable to pay its debts or insolvent or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Company, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on Noteholders. Without being exhaustive, below are some matters that could have a material adverse effect on Noteholders.

Where the Company is insolvent or close to insolvent and the Company undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Company. It may also be possible that if a company related to the Company proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Company may also seek a moratorium even if the Company is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Company, the need to obtain court permission and (in the case of judicial management) the judicial manager's permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Noteholders may be made subject to a binding scheme of arrangement where the majority in number representing 75 per cent. in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75 per cent. in value of the creditors meant to be bound by the scheme have agreed to it and **provided that** the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Noteholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 of Singapore (the “IRDA”) was passed in the Parliament of Singapore on 1 October 2018 and came into force on 30 July 2020. The IRDA includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, the Notes. However, it may apply to other related contracts that are not found to be directly connected with the Notes.

Noteholders are subject to event of default provisions under the Terms and Conditions of the Notes, which include a carveout for the cessation of business or operations of the Company due to a COVID-19 Aviation Sector Disruption

The Terms and Conditions of the Notes provide that an Event of Default occurs if the Company ceases or makes a decision to cease to carry on all of a material part of its business or operations. However, this Event of Default is subject to a carveout for a cessation of business or operations arising as a result of a COVID-19 Aviation Sector Disruption. Accordingly, if the Company ceases or makes a decision to cease to carry on all or a material part of its business or operations as a result of a cessation of business or operations arising as a result of the disruption and other business stoppages affecting the Company and its subsidiaries as a consequence of the COVID-19 pandemic, an Event of Default will not have occurred under the Terms and Conditions of the Notes. Under such circumstances, Noteholders holding in aggregate at least 25 per cent. and at least

S\$50,000,000 of the principal amount of the Notes then outstanding will not be entitled to request in writing, nor will Noteholders pursuant to an Extraordinary Resolution be entitled to direct, the Trustee to give notice to the Company that the Notes are immediately due and payable at their principal amount, together with accrued interest, as provided in the Trust Deed.

In addition, the phrase “all or a material part” as used in the Terms and Conditions of the Notes varies according to the facts and circumstances of the subject transaction, has no clearly established meaning under English or Singapore law (as the case may be), which governs the Terms and Conditions and the Trust Deed, and is subject to judicial interpretation. In certain circumstances, there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of “all or a material part” of the Company’s business or operations, and therefore, it may be unclear as to whether an Event of Default has occurred.

Provisions in the Trust Deed and the Terms and Conditions of the Notes may be modified

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may agree, without the consent of the Noteholders or Couponholders, to (a) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law and (b) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System (as defined below)

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes or Global Certificates will be deposited with a nominee of the Common Depositary, or lodged with CDP (each of Euroclear, Clearstream and CDP and/or such other clearing system, a “**Clearing System**”). Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes or Certificates. The relevant Clearing System will maintain records of their accountholders in relation to the Global Notes and Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Notes are represented by one or more Global Notes or Global Certificates, the Company will discharge its payment obligations under the Notes by making payments to the Common Depositary or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the relevant Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Notes. The Company bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes and Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Noteholders should be aware that Definitive Notes and Certificates which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade

Notes may be issued with a minimum denomination. The Pricing Supplement of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note or a Global Certificate and the relevant Clearing System(s) so permit, the Notes will be tradable in nominal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes or Certificates will only be issued if the relevant Clearing System(s) is/are closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business. The Pricing Supplement may provide that, if Definitive Notes or Certificates are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes or Certificates that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes and Certificates will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the Company (including rights to receive principal or interest or to vote) in respect of such Notes.

The Trustee may request that the Noteholders provide an indemnity to its satisfaction

In certain circumstances (including without limitation the giving of notice to the Company pursuant to Condition 10 of the Notes and the taking of enforcement steps pursuant to Condition 11 of the Notes), the Trustee may, at its discretion, request the Noteholders to provide an indemnity to its satisfaction before it takes action on behalf of Noteholders. The Trustee shall not be obliged to take any such actions if not first indemnified to its satisfaction. Negotiating and agreeing to any indemnity can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity to it, in breach of the terms of the Trust Deed constituting the Notes and/or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations.

Exchange rate risks and exchange controls may result in Noteholders receiving less interest or principal than expected

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

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal.

RISKS RELATING TO A PARTICULAR ISSUE OF NOTES

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes

The Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The market price of Variable Rate Notes with a multiplier or other leverage factor may be volatile

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Notes which are subject to optional redemption by the Company may have a lower market value than Notes that cannot be redeemed

The Notes may be redeemed at the option of the Company pursuant to the Conditions. An optional redemption feature is likely to limit the market value of Notes. During any period when the Company may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

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

The regulation and reform of “benchmark” rates of interest and indices may adversely affect the value of Notes linked to or referencing such “benchmarks”

Interest rates and indices such as the London Interbank Offered Rate (“LIBOR”), the Euro Interbank Offered Rate (“EURIBOR”) and other indices which are deemed to be or used as “benchmarks”, are the subject of recent national, international regulatory and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”) was published in the Official Journal of the EU on 29 June 2016 and will apply from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the European Union (the “EU”). It will, among other things, (a) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (b) prevent certain uses by EU supervised entities (such as the Company) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to a rate or index deemed to be a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

More broadly, any of the international, national, or other proposals, for reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. For example, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. The United Kingdom Financial Conduct Authority has through a series of announcements indicated that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

As the Singapore Dollar Swap Offer Rate (“**SOR**”) methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after end-2021 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that it has established a steering committee (“**SC-STs**”) to oversee an industry-wide interest rate benchmark transition from the SOR to the Singapore Overnight Rate Average (“**SORA**”). On 5 August 2020, MAS announced several initiatives to support the adoption of SORA, including prescribing SORA as a financial benchmark under the SFA. The initiatives aim to catalyse greater activity in SORA markets, safeguard the benchmark’s integrity and enhance market confidence in SORA. The Association of Banks in Singapore has also proposed to discontinue certain tenors for SIBOR and to amend the methodology for determining SIBOR. On 27 October 2020, the SC-STs announced industry timelines to support a coordinated shift away from the use of SOR in financial products, and to concurrently accelerate usage of SORA. SOR is set to be discontinued alongside LIBOR discontinuation after end-2021 and more specifically, all lenders and borrowers are to cease the issuance of SOR-linked loans and securities that mature after end-2021. On 29 July 2021, the SC-STs published a report setting out updated timelines and key recommendations for the industry-wide transition of financial contracts away from the legacy use of SOR. The recommendations cover a wide spectrum of financial products across wholesale and retail markets, and aim to facilitate a smooth transition out of SOR contracts. On 31 March 2021, SC-STs also published a report which set out recommended timelines for the cessation of SOR and SIBOR-linked financial products, which was updated on 5 August 2021 and 18 July 2022. On 14 December 2022, the SC-STs published an implementation paper setting out technical details for the implementation of SC-STs’ supplementary guidance on adjustment spreads for the conversion of SOR contracts to SORA. SC-STs’ supplementary guidance applies to the active transition of unhedged SOR loans and is to be used up till end-2024. The implementation paper only covers the setting of adjustment spreads for the conversion of wholesale SOR contracts to Compounded-in-arrears SORA and does not apply to the setting of adjustment spreads for the conversion of legacy SOR retail loans to Compounded-in-advance SORA.

It is not possible to predict with certainty whether, and to what extent, LIBOR, SIBOR or SOR will continue to be supported going forwards. This may cause LIBOR, SIBOR or SOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. The potential elimination of any benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Terms and Conditions of the Notes or result

in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The value of, and return on, Floating Rate Notes linked to or referencing LIBOR or other similar indices may be adversely affected in the event of a permanent discontinuation of LIBOR or other similar indices

Where Screen Rate Determination is specified as the manner in which the Rate of Interest (as defined in the Terms and Conditions of the Notes) in respect of Floating Rate Notes is to be determined, and LIBOR (or other similar indices) has been selected as the Reference Rate, the Terms and Conditions of the Notes provide that the Rate of Interest shall be determined by reference to the relevant Screen Page (as defined in the Terms and Conditions of the Notes) (or its successor or replacement). In circumstances where LIBOR (or other similar indices) is discontinued, neither the relevant Screen Page, nor any successor or replacement may be available.

Where the relevant Screen Page is not available, and no successor or replacement for the relevant Screen Page is available, the Terms and Conditions of the Notes provide for the Rate of Interest to be determined by the Agent Bank by reference to quotations from banks communicated to the Agent Bank. Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of LIBOR (or other similar indices)), the Rate of Interest may revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before LIBOR (or other similar indices) was discontinued, and if LIBOR (or other similar indices) is discontinued permanently, the same Rate of Interest will continue to be the Rate of Interest for each successive Interest Period until the maturity of the Floating Rate Notes, so that the Floating Rate Notes will, in effect, become fixed rate notes utilising the last available LIBOR (or other similar indices) rate. In the event that a published LIBOR (or other similar indices) rate is unavailable after 2021 and banks are unwilling to provide quotations for the calculation of LIBOR (or other similar indices), the rate of interest on the Notes will become fixed and the value of the Notes may be adversely affected.

Uncertainty as to the continuation of LIBOR (or other similar indices), the availability of quotes from reference banks, and the rate that would be applicable if LIBOR (or other similar indices) is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons (“**Coupons**”) attached or registered form, without coupons attached. The Notes (whether in bearer or registered form) will be issued outside the United States and to non-U.S. persons in reliance on Regulation S.

Notes to be listed on the SGX-ST may be accepted for clearance through Euroclear and Clearstream and may also be accepted for clearance through the CDP and/or any other clearing system as specified in the applicable Pricing Supplement.

Bearer Notes

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

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

Temporary Global Note exchangeable for Permanent Global Notes

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

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

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership.

Temporary Global Note exchangeable for Definitive Notes

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

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

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

Permanent Global Note exchangeable for Definitive Notes

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

- (a) if the Permanent Global Note is held by or on behalf of CDP, and:
 - (i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Notes to be due and payable as provided in the Conditions has occurred and is continuing;
 - (ii) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise);
 - (iii) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or
 - (iv) CDP has notified the Company that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in the Depositary Agreement and no alternative clearing system is available; or
- (b) on the occurrence of any one of the following events if the Permanent Global Note is held by or on behalf of Euroclear or Clearstream:
 - (i) an event of default (as defined in the Conditions) has occurred and is continuing;
 - (ii) Euroclear or Clearstream has closed for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or
 - (iii) Euroclear or Clearstream has announced an intention to permanently cease business.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Pricing Supplement which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

Legend concerning United States persons

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

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

Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended, generally provide that U.S. beneficial owners, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts, interest coupons or talons thereon and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts, interest coupons or talons thereon.

Registered Notes

Each Tranche of Notes in registered form (“**Registered Notes**”) will be represented by either:

- (i) Certificates in registered form (“**Certificates**”); or
- (ii) one or more unrestricted global certificates (“**Global Certificate(s)**”), as specified in the relevant Pricing Supplement.

Each Note represented by a Global Certificate will be registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream and/or any other relevant clearing system and the relevant Global Certificate will be deposited on or about the issue date with the common depositary and/or the CDP.

If the relevant Pricing Supplement specifies the form of Notes as being “Certificates”, then the Notes will at all times be represented by Certificates issued to each Noteholder in respect of their respective holdings.

Global Certificate exchangeable for Certificates

If the relevant Pricing Supplement specifies the form of Notes as being “Global Certificate exchangeable for Certificates”, then the Notes will initially be represented by one or more Global Certificates each of which will be exchangeable in whole, but not in part, for Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Pricing Supplement; or

- (iii) if the relevant Pricing Supplement specifies “in the limited circumstances described in the Global Certificate”, then:
- (a) in the case of any Global Certificate held by or on behalf of Euroclear, Clearstream or any other relevant clearing system, (i) if Euroclear, Clearstream or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business; and (ii) in any case, if any of the circumstances described in Condition 10 (*Events of Default*) occurs; or
 - (b) if the Notes represented by the Global Certificate are held by or on behalf of the CDP and (i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Notes to be due and payable as provided in the Conditions has occurred and is continuing, (ii) the CDP is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (iii) the CDP has announced an intention to permanently cease business and no alternative clearing system is available or (iv) the CDP has notified the Company that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in the Depository Agreement and no alternative clearing system is available.

Whenever a Global Certificate is to be exchanged for Certificates, each person having an interest in a Global Certificate must provide the Registrar (through the relevant clearing system) with such information as the Company and the Registrar may require to complete and deliver Certificates (including the name and address of each person in which the Notes represented by the Certificates are to be registered and the principal amount of each such person’s holding).

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

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

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Certificate will be endorsed on that Certificate and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Pricing Supplement which complete those terms and conditions.

The terms and conditions applicable to any Global Certificate will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) or Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or on the Certificates relating to such Registered Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by an amended and restated Singapore law trust deed 16 November 2020 (“**Singapore Law Trust Deed**”) made between (1) the Company, as issuer, and (2) HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”, which expression shall wherever the context so admits include all persons for the time being the trustee or trustees of the Singapore Law Trust Deed and the English Law Trust Deed) (as defined below), or, as the case may be, by an English law trust deed dated 16 November 2020 (“**English Law Trust Deed**”) made between (1) the Company, and (2) the Trustee, and as amended, varied or supplemented from time to time, and (where applicable) the Notes are issued with the benefit of a deed of covenant (the “**Deed of Covenant**”) dated 19 August 2003, relating to the Notes executed by the Company, as supplemented by a supplemental deed of covenant dated 16 November 2020 and as further amended, varied or supplemented from time to time. The Company has entered into an amended and restated agency agreement (the “**Agency Agreement**”) dated 16 November 2020 made between (1) the Company, as issuer, (2) The Bank of New York Mellon, London Branch (formerly known as The Bank of New York, London Branch), as principal issuing and paying agent (in such capacity, the “**Principal Issuing and Paying Agent**”), principal agent bank (in such capacity, the “**Principal Agent Bank**”), (3) The Bank of New York Mellon SA/NV, Luxembourg Branch, as principal registrar (in such capacity, the “**Principal Registrar**”) and principal transfer agent (in such capacity, the “**Principal Transfer Agent**”), (4) DBS Bank Ltd., as Singapore issuing and paying agent (in such capacity, the “**Singapore Issuing and Paying Agent**” and together with the Principal Issuing and Paying Agent and any other paying agents that may be appointed, the “**Issuing and Paying Agents**”), Singapore agent bank (in such capacity, the “**Singapore Agent Bank**”), Singapore registrar (in such capacity, the “**Singapore Registrar**” and together with the Principal Registrar, the “**Registrars**”) and Singapore transfer agent (in such capacity, the “**Singapore Transfer Agent**” and together with the Principal Transfer Agent, the “**Transfer Agents**”), and (5) the Trustee, as trustee, and as amended, varied or supplemented from time to time. The Noteholders and the holders of the coupons (the “**Coupons**”) appertaining to the interest-bearing Notes (the “**Couponholders**”) are bound by and are deemed to have notice of all of the provisions of the Singapore Law Trust Deed, the English Law Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Singapore Law Trust Deed, the English Law Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of each of the Principal Issuing and Paying Agent and the Singapore Issuing and Paying Agent for the time being.

References in these Conditions to the “**Trust Deed**” shall mean (a) if the Notes are specified to be governed by Singapore law in the applicable Pricing Supplement, the Singapore Law Trust Deed, or (b) if the Notes are specified to be governed by English law in the applicable Pricing Supplement, the English Law Trust Deed.

1. **FORM, DENOMINATION AND TITLE**

(a) **Form and Denomination**

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Denomination Amount shown hereon. Subject to applicable laws, in the case of Registered Notes, such Notes are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face (if any)).
- (iii) Bearer Notes are serially numbered and issued with Coupons attached, save in the case of Notes that do not bear interest in which case references to interest in these Conditions are not applicable.
- (iv) Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) **Title**

- (i) Subject as set out below, title to the Bearer Notes and the Coupons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Company shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Notes is represented by a Global Note or, as the case may be, Global Certificate and such Global Note is held by The Central Depository (Pte) Limited (“**CDP**”) or a common depository of Euroclear (as defined in the Trust Deed) and Clearstream (as defined in the Trust Deed), each person who is for the time being shown in the records of CDP or a common depository of Euroclear and Clearstream as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by CDP or a common depository of Euroclear and Clearstream as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Company, the Issuing and Paying Agents, the Agent Banks, the Registrar, the other Transfer Agents all other agents of the Company and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, interest and any other amounts in respect of the Notes, for which purpose the bearer of the Global Note or, as the case may be, the person whose name is shown on the

Register shall be treated by the Company, the Issuing and Paying Agents, the Agent Banks, the Registrar, the other Transfer Agents, all other agents of the Company and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note or, as the case may be, the Global Certificate (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions, where the context requires, shall be construed accordingly). Notes which are represented by the Global Note or, as the case may be, the Global Certificate and held by CDP or a common depository of Euroclear and Clearstream (as the case may be) will be transferable only in accordance with the rules and procedures for the time being of CDP or a common depository of Euroclear and Clearstream (as the case may be).

- (iv) In these Conditions, “**Global Note**” means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, (2) the Depository and/or (3) any other clearing system, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Note or Coupon) means the bearer of any Bearer Note or Coupon or the person in whose name a Registered Note is registered (as the case may be), “**Series**” means (a) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which (1) are expressed to be consolidated and forming a single series and (2) are identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest, and (b) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and “**Tranche**” means Notes which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. **NO EXCHANGE OF NOTES AND TRANSFER OF REGISTERED NOTES**

(a) **No Exchange of Notes**

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes**

Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Company) duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority

of the individuals that have executed the form of transfer. In the case of a transfer of part of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Company, with the prior written approval of the Registrar and the Trustee and (in the case of any change proposed by the Registrar) with the prior written approval of the Company and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption or Purchase in respect of Registered Notes**

In the case of an exercise of a Company's or Noteholder's option in respect of, or a partial redemption of or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against the surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five (5) business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday or Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the Transfer Agent (as the case may be).

(e) **Transfers Free of Charge**

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Company, the Registrar or the Transfer Agent, but upon payment of any tax or governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the Transfer Agent may require) in respect of tax or charges.

(f) **Closed Periods**

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of fifteen (15) days prior to any date on which Notes may be called for redemption by the Company at its option pursuant to Condition 7(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven (7) days ending on (and including) any Record Date (as defined in Condition 6(a)(ii)).

3. **STATUS**

The Notes and Coupons of all Series constitute direct, unsubordinated, unconditional and unsecured obligations of the Company. The Notes shall at all times rank *pari passu* amongst themselves (irrespective of whether constituted by the Singapore Law Trust Deed or the English Law Trust Deed) and equally with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company.

4. **NEGATIVE PLEDGE**

The Company has covenanted in the Trust Deed that so long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Company shall not create or have outstanding any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("**security**"), except for any Permitted Security, on or over its undertaking, assets, property or revenues, present or future, unless, at the same time or prior thereto, the Company's obligations under the Notes, the Coupons and the Trust Deed (1) are secured equally and rateably therewith to the satisfaction of the Trustee or (2) have the benefit of such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed).

"**Permitted Security**" means any of the following:

- (i) any security over any fixed asset existing as at the date of the Trust Deed and disclosed to the Trustee in writing on or prior to the date of the Trust Deed (but, except with the prior consent of the Trustee, the amount secured by such security may not be increased);
- (ii) any security over any fixed asset arising solely by operation of law;
- (iii) any security created over any fixed asset acquired by it after the date of the Trust Deed for the sole purpose of financing that acquisition and securing an amount not exceeding the cost of that acquisition;
- (iv) any security created over any asset to secure any of its indebtedness **provided that** the aggregate amount of the assets (excluding right-of-use assets) securing such indebtedness shall not at any one time exceed an amount equal to 50 per cent of the Total Fixed Assets; and
- (v) any other security created or outstanding over any fixed asset approved by an Extraordinary Resolution.

In this Condition 4:

- (a) "**Aircraft Amount**" means the aggregate book value, net of depreciation, of aircraft, spares and spare engines, all as shown in the latest balance sheet of the Company made available to its members (whether audited or unaudited); and

- (b) **"Total Fixed Assets"** means the Aircraft Amount and the aggregate book value, net of depreciation, of fixed assets (other than aircraft, spares and spare engines), investments in subsidiary companies, associated companies and joint ventures of the Company, and long term investments (excluding right-of-use assets), all as shown in the latest balance sheet of the Company made available to its members (whether audited or unaudited).

5. INTEREST

5(I). INTEREST ON FIXED RATE NOTES

(a) **Interest Rate and Accrual**

Subject to Condition 5(I)(b) below, each Fixed Rate Note bears interest on its Calculation Amount (as defined in Condition 5(IV)(e)) from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Reference Date or Reference Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on a Reference Date.

The first payment of interest will be made on the Reference Date next following the Interest Commencement Date (and if the Interest Commencement Date is not a Reference Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not a Reference Date, interest from the preceding Reference Date (or from the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) to the Relevant Date (as defined in Condition 8).

(b) **Calculations**

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Fixed Rate Day Basis shown on the face of such Note.

5(II). INTEREST ON FLOATING RATE NOTES OR VARIABLE RATE NOTES

(a) **Interest Payment Dates**

Each Floating Rate Note or Variable Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each date (**"Interest Payment Date"**) which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the **"Specified Number of Months"**) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), **provided that** the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period (as defined below) relating to that Variable Rate Note shall

be payable on the first day of that Interest Period. If any Interest Payment Date would otherwise fall on a day which is not a business day (as defined below), it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month. In any such case as aforesaid or if there is no date in the relevant month which corresponds numerically with the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date (i) the Interest Payment Date shall be brought forward to the immediately preceding business day and (ii) each subsequent Interest Payment Date shall be the last business day of the month which is the last of the Specified Number of Months after the month in which the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall have fallen.

The period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is herein called an “**Interest Period**”.

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) to the Relevant Date.

(b) **Rate of Interest – Floating Rate Notes**

- (i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being SIBOR (in which case such Note will be a SIBOR Note), Swap Rate (in which case such Note will be a Swap Rate Note) or LIBOR (in which case such Note shall be a LIBOR Note) or in any case such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding the Spread (if any) stated on the face of such Note. The “**Spread**” is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(IV)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the “**Rate of Interest**”.

- (ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

- (1) in the case of Floating Rate Notes which are SIBOR Notes:

- (A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore Dollars for a period equal to the duration of such Interest Period which appears on Page ABSI on the monitor of the Bloomberg agency under the caption “ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR

FIXING RATES – RATES AT 11:00AM SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement Screen Page thereof) and as adjusted by the Spread (if any);

- (B) if no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Agent Bank will, at or about the Relevant Time on such Interest Determination Date, determine the Rate of Interest for such Interest Period which shall be the rate which appears under the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00AM SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement page thereof), being the offered rate for deposits in Singapore Dollars for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
- (C) if no such rate appears on Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page (as defined below) as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Company will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore Dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore inter- bank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;
- (D) if on any Interest Determination Date two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (C) above on the basis of the quotations of those Reference Banks providing such quotations;
- (E) if on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any); and

- (F) if on such Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date;
- (2) in the case of Floating Rate Notes which are Swap Rate Notes:
- (A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Agent Bank as being the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption “ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME” and under the column headed “SGD SWAP OFFER” (or such other page as may replace Page ABSI on the monitor of the Bloomberg agency for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period) and as adjusted by the Spread (if any);
- (B) if no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Agent Bank will determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Agent Bank as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00AM SINGAPORE TIME” and under the column headed “SGD SWAP OFFER” (or such other replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period) and as adjusted by the Spread (if any);
- (C) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) or the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent) for such Interest Period in accordance with the following formula:

In the case of Premium:

$$\begin{aligned} \text{Average Swap Rate} = & \frac{360}{365} \times \text{SIBOR} \times \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} \\ & + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

In the case of Discount:

$$\begin{aligned} \text{Average Swap Rate} = & \frac{360}{365} \times \text{SIBOR} \times \frac{(\text{Discount} \times 36500)}{(T \times \text{Spot Rate})} \\ & + \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

where:

SIBOR	=	the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME" and the column headed "USD SIBOR" (or such other page as may replace Page ABSI for the purpose of displaying Singapore inter-bank US Dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;
Spot Rate	=	the rate (determined by the Agent Bank) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks for selling US Dollars spot in exchange for Singapore Dollars in the Singapore inter-bank market and which appear on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – FX and SGD Swap Points" (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Premium or Discount = the rate (determined by the Agent Bank) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks for buying US Dollars forward in exchange for Singapore Dollars on the last day of the Interest Period concerned which appear on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – FX and SGD Swap Points" (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and

T = the number of days in the Interest Period concerned.

The Rate of Interest for such Interest Period shall be the Average Swap Rate (as determined by the Agent Bank) and as adjusted by the Spread (if any);

- (D) if on any Interest Determination Date any one of the components for the purposes of calculating the Average Swap Rate under (B) above is not quoted on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page as aforesaid) or if Page ABSI on the monitor of the Bloomberg agency (or such other replacement page as aforesaid) is unavailable for any reason, the Company will request the principal Singapore offices of the Reference Banks to provide the Agent Bank with quotations of their Swap Rates for the Interest Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent) of the Swap Rates quoted by the Reference Banks to the Agent Bank) plus the Spread (if any). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore Dollars for the Interest Period concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{360}{365} \times \text{SIBOR} \times \frac{(\text{Premium} \times 36500)}{(T \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{360}{365} \times \text{SIBOR} \times \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR	=	the rate per annum at which US Dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;
Spot Rate	=	the rate at which that Reference Bank sells US Dollars spot in exchange for Singapore Dollars in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;
Premium	=	in relation to the Interest Period concerned, the premium that would have been paid by that Reference Bank in buying US Dollars forward in exchange for Singapore Dollars on the last day of the Interest Period concerned in the Singapore inter-bank market;
Discount	=	in relation to the Interest Period concerned, the discount that would have been received by that Reference Bank in buying US Dollars forward in exchange for Singapore Dollars on the last day of the Interest Period concerned in the Singapore inter-bank market; and
T	=	the number of days in the Interest Period concerned;

- (E) if on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with quotations of their Swap Rate(s), the Average Swap Rate shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity,

deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and the Rate of Interest for the relevant Interest Period shall be the Average Swap Rate (as so determined by the Agent Bank) plus the Spread (if any); and

- (F) if on such Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the Rate of Interest determined on the previous Interest Determination Date;

(3) in the case of Floating Rate Notes which are LIBOR Notes:

- (A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in US Dollars for a period equal to the duration of such Interest Period which appears on Page BBAM on the monitor of the Bloomberg agency under the caption "BRITISH BANKERS' ASSOCIATION – 1) OFFICIAL BBA LIBOR FIXINGS AT 11:00 LONDON TIME" under the column headed "USD" (or such other page as may replace that page on that service, or such other service as may be nominated by the information vendor, for the purpose of displaying comparable rates) (or such other Screen Page as may be provided hereon) plus the Spread (if any);
- (B) if no such rate appears on Page BBAM on the monitor of the Bloomberg agency (or such other replacement page thereof), the Agent Bank will, at or about the Relevant Time on such Interest Determination Date, determine the Rate of Interest for such Interest Period which shall be the rate which appears under the Reuters Screen LIBOR1 Page under the caption "BRITISH BANKERS ASSOCIATION INTEREST SETTLEMENT RATES – RATES AT 11:00 LONDON TIME" and under the column headed "USD" (or such other replacement page thereof), being the offered rate for deposits in US Dollars for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
- (C) if no such rate appears on the Reuters Screen LIBOR1 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) or if the Reuters Screen LIBOR1 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Company will:
 - (aa) request the principal London office of each of four major banks as selected by the Company in the London inter-bank market to provide a quotation of the rate at which deposits in US Dollars are offered by it in the London inter-bank market at approximately the Relevant Time on the Interest Determination Date to prime banks in the London inter-bank market for a period equivalent to the duration of such Interest

Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes.

The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent) of such offered quotations plus the Spread (if any), as determined by the Agent Bank; and

- (bb) if fewer than two such quotations are provided as requested, the Agent Bank will determine the arithmetic mean (rounded up, if necessary, as aforesaid) of the rates quoted by major banks in New York City, selected by the Company, at approximately the Relevant Time on such Interest Determination Date for loans in US Dollars to leading banks for a period equal to or comparable to the relevant Interest Period and in an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period plus the Spread (if any), as determined by the Agent Bank; and
- (4) in the case of Floating Rate Notes which are not SIBOR Notes, Swap Rate Notes or LIBOR Notes, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:
- (A) if the Primary Source for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:
 - (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
 - (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,plus the Spread (if any);
 - (B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(4)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(4) (A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date plus the Spread (if any); and

- (C) if paragraph (b)(ii)(4)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

- (iii) On the last day of each Interest Period, the Company will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(c) **Rate of Interest – Variable Rate Notes**

- (i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Agreed Yield**” and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Rate of Interest**”.
- (ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:
 - (1) not earlier than 9 a.m. (local time in the Relevant Financial Centre) on the ninth business day nor later than 3 p.m. (local time in the Relevant Financial Centre) on the third business day prior to the commencement of each Interest Period, the Company and the VRN Relevant Dealer (as defined below) shall endeavour to agree on the following:
 - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
 - (B) if interest in respect of such Variable Rate Note is agreed between the Company and the VRN Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Company and the VRN Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and
 - (C) if interest in respect of such Variable Rate Note is agreed between the Company and the VRN Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an “**Agreed Rate**”) and, in the event of the Company and the VRN Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
 - (2) if the Company and the VRN Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3 p.m. (local time in the Relevant Financial Centre) on the third business day prior to the commencement of such Interest Period, or if there shall be no VRN Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

- (iii) The Company has undertaken to the Issuing and Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (local time in the Relevant Financial Centre) on the next following business day:
 - (1) notify the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
 - (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.
- (iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no VRN Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the **"Fall Back Rate"**) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore Dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore Dollars) such other Benchmark (including LIBOR) as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding the Spread (if any) stated on the face of such Variable Rate Note. The **"Spread"** is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(IV)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 5(II)(b)(ii) above (*mutatis mutandis*) and references therein to **"Rate of Interest"** shall mean **"Fall Back Rate"**.

- (v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Company will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Company will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

5(III). INTEREST ON HYBRID NOTES

(a) **Interest Rate and Accrual**

Each Hybrid Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) **Fixed Rate Period**

- (i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Reference Date or Reference Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on a Reference Date.
- (ii) The first payment of interest will be made on the Reference Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not a Reference Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not a Reference Date, interest from the preceding Reference Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to the Relevant Date.
- (iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Fixed Rate Day Basis shown on the face of the Note during the Fixed Rate Period.

(c) **Floating Rate Period**

- (i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each date ("**Interest Payment Date**") which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date would otherwise fall on a day which is not a business day, it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month. In any such case as aforesaid or if there is no date in the relevant month which corresponds numerically with the preceding Interest Payment Date or, as the case may be, the first day of the Floating Rate Period (i) the Interest Payment Date shall be brought forward to the immediately preceding business day and (ii) each subsequent Interest Payment Date shall be the last business day of the month which is the last of the Specified Number of Months after the month in which the preceding Interest Payment Date or, as the case may be, the first day of the Floating Rate Period shall have fallen.

- (ii) The period beginning on the first day of the Floating Rate Period and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an **"Interest Period"**.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to the Relevant Date.
- (iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

5(IV). RATE OF INTEREST, INTEREST AMOUNTS, REDEMPTION AMOUNT AND DEFINITIONS

(a) Determination of Rate of Interest and Calculation of Interest Amounts and Redemption Amount

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Agent Bank may be required to calculate any Redemption Amount in respect of any Notes, determine the Rate of Interest and calculate the amount of interest payable (the **"Interest Amounts"**) in respect of each Calculation Amount of the Floating Rate Notes, Variable Rate Notes or Hybrid Notes for the relevant Interest Period or calculate the Redemption Amount in respect of such Notes. The Interest Amounts shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such product by the actual number of days in the Interest Period concerned (including the first, but excluding the last, day of such Interest Period), divided by the FRN Day Basis or as the case may be, VRN Day Basis shown on the face of such Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination or calculation, as the case may be, of the Rate of Interest, the Interest Amounts and the Redemption Amount by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification of Rate of Interest and Interest Amounts

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount to be notified to the Issuing and Paying Agent, the Company and the Noteholders in accordance with Condition 13 (and where applicable, the Stock Exchange (as defined in the Trust Deed)) as soon as possible after their determination but in no event later than the second business day thereafter. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, the Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, the Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) **Determination of Rate of Interest by the Trustee**

The Trustee shall (if the Agent Bank does not at any material time determine the Rate of Interest) determine or procure the determination of such Rate of Interest in accordance with the provisions of this Condition 5(IV). In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) **Agent Bank and Reference Banks**

The Company will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks and an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts or the Redemption Amount, the Company will appoint the local office of a leading bank or merchant bank operating in the Relevant Financial Centre and engaged in the local inter-bank market to act as such in its place. An Agent Bank may not resign its duties without a successor having been appointed as aforesaid.

(e) **Definitions**

As used in these Conditions:

“Benchmark” means the rate specified as such in the applicable Pricing Supplement;

“business day” means:

- (i) (in the case of Notes denominated in Singapore Dollars) a day (other than a Saturday or Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore; and
- (ii) (in the case of Notes denominated in a currency other than Singapore Dollars), a day (other than a Saturday or Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency;

“Calculation Amount” means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

“Interest Commencement Date” means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

“Interest Determination Date” means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

“LIBOR” means the relevant rate for deposits in US Dollars, in an amount comparable to the outstanding amount of the relevant Notes for the relevant Interest Period as determined in accordance with Condition 5(II)(b)(ii)(3);

“Reference Banks” means the institutions specified as such hereon or, if none, three major banks selected by the Company in the inter-bank market that is most closely connected with the Benchmark;

“Relevant Currency” means the currency in which payments in respect of the Notes and/or Coupons of the relevant Series are to be made as indicated in the applicable Pricing Supplement;

“Relevant Financial Centre” means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note, Variable Rate Note or Hybrid Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“Relevant Rate” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the inter-bank market in the Relevant Financial Centre;

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency (“Bloomberg”) and the Reuters Monitor Money Rates Service (“Reuters”)) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

“VRN Relevant Dealer” means, in respect of any Variable Rate Note, the dealer party to the Programme Agreement (as defined in the Trust Deed) with whom the Company has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement.

6. **PAYMENTS**

(a) **Principal and Interest**

(i) **Principal and interest in respect of Bearer Notes:** Payments of the Redemption Amount and interest in respect of the Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Issuing and Paying Agent by a cheque drawn in the currency in which that payment is due on, or, at the option of the holders, by transfer to an account maintained with a bank in the principal financial centre for that currency.

(ii) **Principal and interest in respect of Registered Notes:**

(i) Payments of principal in respect of Registered Notes will subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of the Transfer Agent or of the Registrar and in the manner provided in Condition 6(b)(ii).

- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or the first named of the joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre of that currency.

(b) **Payments subject to law etc.**

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) **Appointment of Agents**

The Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent appointed by the Company and its specified office are listed below. The Company reserves the right at any time to vary or terminate the appointment of any of the Issuing and Paying Agent, Registrar, Transfer Agent and/or the Agent Bank in accordance with the terms of the Agency Agreement and to appoint additional or other Agents, **provided that** it will at all times maintain (i) a Singapore Issuing and Paying Agent having a specified office in Singapore, (ii) a Transfer Agent in relation to Registered Notes, (iii) a Registrar in relation to Registered Notes, and (iv) an Agent Bank where the Conditions so require.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 13.

The Agency Agreement may be amended by the Company and the Trustee, without the consent of any Issuing and Paying Agent, the Registrar, the Transfer Agent, any Agent Bank or any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Company and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Company and the Trustee, materially and adversely affect the interests of the holders. Any such amendment shall be binding on the Noteholders and the Couponholders.

(d) **Unmatured Coupons**

- (i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmaturing Coupons (if any) appertaining thereto (and in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not

being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within the prescription period relating thereto under Condition 9.

- (ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Where any Bearer Note comprising Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons relating to it (and in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Company may require.
- (iv) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(e) **Non-business days**

Subject as provided in the relevant Pricing Supplement and/or in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of such delay.

7. **REDEMPTION AND PURCHASE**

(a) **Final Redemption**

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) **Purchase at the Option of Company**

If so provided hereon, the Company shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount (i) (in the case of Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes) on any date on which interest is due to be paid on such Notes or (ii) (in the case of Zero Coupon Notes) on any date prior to the Maturity Date as provided for on the face of such Note, and the Noteholders shall be bound to sell such Notes to the Company accordingly. To exercise such option, the Company shall give irrevocable notice to the Noteholders within the Company's

Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Company, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 15.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Company in such place and in such manner as may be agreed between the Company and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on the Stock Exchange, the Company shall comply with the rules of such Stock Exchange (if any) in relation to the publication of any purchase of Notes.

(c) **Purchase at the Option of Noteholders**

- (i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Company at their Redemption Amount on any Interest Payment Date and the Company will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) any Variable Rate Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, or (in the case of Registered Note) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Company. Such Variable Rate Notes or Certificates representing such Variable Rate Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Company, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 15.
- (ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes, Hybrid Notes or Zero Coupon Notes purchased by the Company at their Redemption Amount (i) (in the case of Fixed Rate Notes, Floating Rate Notes or Hybrid Notes) on any date on which interest is due to be paid on such Notes or (ii) (in the case of Zero Coupon Notes) on any date prior to the Maturity Date as provided for on the face of such Note, and the Company will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) any Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Notes which mature

after the date fixed for purchase, or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Company. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons) to the Issuing and Paying Agent, and in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Company, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 15.

(d) Redemption at the Option of the Company

If so provided hereon, the Company may, on giving irrevocable notice to the Noteholders falling within the Company's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes to be redeemed, which shall have been drawn in such place and in such manner as may be agreed between the Company and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on the Stock Exchange, the Company shall comply with the rules of such Stock Exchange (if any) in relation to the publication of any redemption of Notes.

(e) Redemption at the Option of Noteholders

If so provided hereon, the Company shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Note) such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Company.

(f) **Redemption for Taxation Reasons**

The Company may redeem all (but not some only) of the Notes on any Reference Date or Interest Payment Date (as the case may be) or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Company has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Company taking reasonable measures available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Company shall deliver to the Trustee a certificate signed by a duly authorised officer of the Company stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Company so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Company has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(g) **Early Redemption and Late Payment for Zero Coupon Notes**

(i) Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (1) the Reference Price; and
- (2) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the Maturity Date or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 7(g)(i).

(ii) If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (1) the Reference Price; and
- (2) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day

are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(h) **Purchases**

The Company and any of its related corporations may at any time purchase Notes at any price (**provided that** they are purchased together with all unmatured Coupons relating to them) in the open market or otherwise, **provided that** in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Company or any of its related corporations may be surrendered by the purchaser through the Company to, in the case of Bearer Notes, the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Company or relevant related corporation be held or resold.

For the purposes of these Conditions, “directive” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislature, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(i) **Cancellation**

All Notes purchased by or on behalf of the Company or any of its related corporations may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar, and in each case, if so surrendered, shall, together with all Notes redeemed by the Company, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

8. **TAXATION**

All payments of principal and interest by or on behalf of the Company in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Company shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (i) **Other connection:** by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of it being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or having a permanent establishment in, Singapore); or

- (ii) **Presentation more than 30 days after the Relevant Date:** more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or
- (iii) **Declaration of Residence:** by or on behalf of a holder to whom payment may be made free and clear of such withholding or deduction by making a declaration of residence or other similar claim for exemption and does not make such declaration or claim.

For the avoidance of doubt, neither the Company nor any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

In these Conditions, “**Relevant Date**” means the date on which payment in respect of any Note or Coupon first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 13 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon presentation. Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition 8 or pursuant to any undertaking given by the Company in addition to or substitution for it under the Trust Deed.

9. **PRESCRIPTION**

Notes and Coupons will become void unless presented for payment within three years (in the case of Notes which are denominated in Singapore Dollars) or five years (in the case of Notes which are denominated in a currency other than Singapore Dollars) from the appropriate Relevant Date.

10. **EVENTS OF DEFAULT**

The Trustee at its discretion may, and (i) if so requested in writing by the holders of at least 25 per cent in principal amount of the Notes then outstanding subject to such holders holding an aggregate principal amount of Notes of not less than S\$50,000,000 or (ii) if so directed by an Extraordinary Resolution, shall, give notice to the Company that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, if any of the following events (“**Events of Default**”) occurs and is continuing:

- (i) the Company fails to pay (i) any principal sum payable on or in respect of any of the Notes within seven days of its due date, or (ii) interest on or in respect of the Notes within 14 days of its due date; or
- (ii) the Company does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Company by the Trustee; or

- (iii) an order is made or an effective resolution is passed for the winding-up or dissolution of the Company or for the judicial management of the Company or the Company ceases or makes a decision to cease to carry on all or a material part of its business or operations (other than a cessation of business or operations arising as a result of the COVID-19 Aviation Sector Disruption), except for the purpose of and followed by a reconstruction, amalgamation, re-organisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution; or
- (iv) any other present or future indebtedness of the Company for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Company fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, **Provided that** the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more events mentioned above in this paragraph (iv) have occurred equals or exceeds S\$100,000,000 or its equivalent; or
- (v) the Company is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or expressly declares its intention to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of (or of a particular type of) the debts of the Company; or
- (vi) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes and the Trust Deed admissible in evidence in the courts of Singapore is not taken, fulfilled or done, unless such consent is no longer required or applicable; or
- (vii) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company on or over all or a material part of the assets of the Company becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, judicial manager or other similar person); or
- (viii) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the undertaking, property, assets or revenues of the Company and is not discharged or stayed within 30 days (or such longer period as the Trustee may permit); or
- (ix) it is or will become unlawful for the Company to perform or comply with any one or more of its payment or other material obligations under the Notes or the Trust Deed; or
- (x) any governmental authority or agency or court seizes, compulsorily acquires, expropriates or nationalises all or a material part of the assets of the Company; or

- (xi) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

In this Condition 10, “**COVID-19 Aviation Sector Disruption**” means the disruption and other business stoppages affecting the Company and its subsidiaries as a consequence of the COVID-19 pandemic.

11. **ENFORCEMENT**

- (a) At any time after the Notes have become due and payable, the Trustee may, at its discretion and without notice, institute such proceedings against the Company as it may think fit to enforce the terms of the Trust Deed, the Notes or the Coupons but it need not take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least 25 per cent in principal amount of the Notes then outstanding, and (ii) it shall have been indemnified by or on behalf of the Noteholders to its satisfaction.
- (b) No Noteholder or Couponholder shall be entitled to proceed directly against the Company unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

12. **REPLACEMENT OF NOTES, CERTIFICATES AND COUPONS**

Should any Note, Certificate or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and stock exchange or other relevant regulatory requirements, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes) and of the Registrar (in the case of Certificates), (or at the specified office of such other person as may from time to time be designated by the Issuing and Paying Agent or, as the case may be, Transfer Agent for the purpose and notice of whose designation is given to the Noteholders in accordance with Condition 13 below) upon payment by the claimant of the costs, expenses and duties incurred in connection with the replacement and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate or Coupon is subsequently presented for payment, there will be paid by the claimant to the Company on demand the amount paid or payable by the Company in respect of such Note, Certificate or Coupon) and otherwise as the Company may require. Mutilated or defaced Notes, Certificates or Coupons must be surrendered before replacements will be issued.

13. **NOTICES**

- (a) All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in Singapore (in the case of Notes which are denominated in Singapore Dollars) or either The Wall Street Journal or the Financial Times (in the case of Notes which are denominated in a currency other than Singapore Dollars). The Company shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which any Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

- (b) Until such time as any Definitive Notes (as defined in the Trust Deed) are issued, there may, so long as the Global Note(s) or Global Certificate(s) is or are held in its or their entirety on behalf of CDP, be substituted for such publication in such newspapers the delivery of the relevant notice to CDP for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST or any other stock exchange and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the third day after the day on which the said notice was given to CDP. For the purposes of this paragraph, all references to CDP shall be deemed to include references to any additional or alternative clearing system (including Euroclear and/or Clearstream) as specified in the Pricing Supplement.
- (c) Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates).
- (d) Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Company, notices to such Noteholders will be valid if given individually to all such Noteholders by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

14. **FURTHER ISSUES**

The Company may from time to time without the consent of the Noteholders or Couponholders create or issue further securities either having the same terms and conditions as the Notes in all material respects and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Company may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes.

15. **MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION**

- (a) The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.
- (b) The Trustee or the Company at any time may, and the Trustee upon the request in writing, at any time after any Notes of any Series shall have become repayable due to default, by Noteholders holding not less than 25 per cent in principal amount of the Notes of any Series for the time being outstanding shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution described as a special quorum resolution in the proviso to paragraph 2 of Schedule 7 to the Trust Deed will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

- (c) The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, which in any such case is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or may agree, without any such consent as aforesaid, to any modification, waiver or authorisation which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of Singapore law.
- (d) In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Company, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.
- (e) Any modification, abrogation, waiver, authorisation determination or substitution shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any modification, abrogation or substitution shall be notified by the Company to the Noteholders as soon as practicable thereafter in accordance with Condition 13.

16. **INDEMNIFICATION OF THE TRUSTEE, ITS CONTRACTING WITH THE COMPANY AND ITS COMPLIANCE WITH ANTI-MONEY LAUNDERING AND TERRORISM POLICIES**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified to its satisfaction.

The Trust Deed contains provisions relating to compliance by the Trustee with laws, policies and regulations relating to, amongst others, anti-money laundering, terrorism and criminal activities and as such, the payment obligations of the Trustee are subject to such laws, policies and regulations. Any delay in the payment under the Trust Deed or the Notes which is caused by such action shall not constitute an Event of Default under the Notes or a breach of any provisions of the Trust Deed or the Notes. The Company shall not be liable for any further interest (including default interest) on the Notes resulting from such non-payment.

17. **CONSENT TO USE OF PERSONAL DATA**

Personal data or information provided to the Company, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent or the Trustee or their agents (whether directly from a person acquiring an interest in the Notes or a Noteholder or indirectly through their agents or otherwise, and whether or not pursuant to a request from the Company, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent or the Trustee or their agents), and personal data or information relating to (if any) employees, officers, shareholders or beneficial owners of any such person acquiring an interest in the Notes or the Noteholder provided by such person or the Noteholder or otherwise collected by or on

behalf of the Company, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent or the Trustee in connection with such acquisition or any other matter in relation to the Notes (collectively the “**Data**”) may be held by or on behalf of the Company, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent, the Trustee, their respective agents (each a “**Recipient**”) and/or any third party engaged by the Recipient to provide administrative, computer or other services or products. Each of the foregoing persons may collect, use, disclose, process and transfer such Data so as to enable each of the aforesaid persons to: (i) carry out their respective duties and obligations, or to enforce their respective rights and remedies, in connection with any matter in relation to the Notes or any local or foreign order, rule, regulation or law applicable to the respective parties; (ii) implement any corporate action related to the Notes; (iii) administer Noteholders’ holdings of Notes, (iv) carry out internal analysis; (v) carry out any investor relations communication; (vi) comply with requests from any local or foreign regulator or authority; and (vii) for such other purposes as specified in the Trust Deed or the Agency Agreement. By acceptance of an interest in a Note, each such person and each Noteholder consents to all such use and warrants that it has obtained legally valid consents from all relevant individuals to allow the Recipients and those third parties to collect, use, disclose, process and/or transfer Data as described above (including, for the avoidance of doubt, all purposes as specified in the Trust Deed or the Agency Agreement), and also agrees to provide written evidence of such consents upon reasonable request from a Recipient.

18. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore or the Contracts (Rights of Third Parties) Act 1999 of England and Wales (where relevant).

19. **GOVERNING LAW**

Notes issued pursuant to the Singapore Law Trust Deed shall be governed by, and construed in accordance with, the laws of Singapore. Notes issued pursuant to the English Law Trust Deed shall be governed by, and construed in accordance with, the laws of England.

20. **SUBMISSION TO JURISDICTION**

In relation to Notes which are issued pursuant to the Singapore Law Trust Deed, the courts of Singapore are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons and, accordingly, any suit, action or proceedings arising out of or in connection with such Notes or the Coupons (together referred to as “**Proceedings**”) may be brought in the courts of Singapore. In relation to Notes which are issued pursuant to the English Law Trust Deed, the courts of England are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons and, accordingly, any Proceedings may be brought in the courts of England.

FORM OF PRICING SUPPLEMENT

Pricing Supplement

[LOGO, if document is printed]

SINGAPORE AIRLINES LIMITED
(Incorporated with limited liability in Singapore)

S\$10,000,000,000
Multi-currency Medium Term Note Programme

SERIES NO:
TRANCHE NO:
[Brief Description and Amount of Notes]
Issue Price: [] per cent.

ISIN NO:
COMMON CODE:

[Publicity Name(s) of Dealer(s)]

[Principal Issuing and Paying Agent
The Bank of New York Mellon, London Branch
Singapore Issuing and Paying Agent
DBS Bank Ltd.]

The date of this Pricing Supplement is [].

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

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

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

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

[Singapore Securities and Futures Act Product Classification – The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

This Pricing Supplement relates to the Tranche of Notes referred to above.

This Pricing Supplement, under which the Notes described herein (the "**Notes**") are issued, is supplemental to, and should be read in conjunction with, the Information Memorandum dated 4 August 2023 (as revised, supplemented, amended, updated or replaced from time to time, the "**Information Memorandum**") issued in relation to the S\$10,000,000,000 Multicurrency Medium Term Note Programme of Singapore Airlines Limited (the "**Company**"). Terms defined in the Information Memorandum have the same meaning in this Pricing Supplement. The Notes will be issued on the terms of this Pricing Supplement read together with the Information Memorandum. This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

Where interest, discount income, prepayment fee, redemption premium, break cost or payment on the redemption of the Notes upon their maturity or on the early redemption of the Notes is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the "**Income Tax Act**") shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium,

break cost or payment on the redemption of the Notes upon their maturity or on the early redemption of the Notes which is derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

The terms of the Notes and additional provisions relating to their issue are as follows:

[Include whichever of the following apply]

- | | | |
|-----|---|--|
| 1. | Series No.: | [●] |
| 2. | Tranche No.: | [●] |
| 3. | Relevant Currency: | [●] |
| 4. | Principal Amount of Series: | [●] |
| 5. | Principal Amount of Tranche: | [●] |
| 6. | Denomination Amount: | [●] |
| 7. | Calculation Amount (if different from Denomination Amount): | [●] |
| 8. | Issue Date: | [●] |
| 9. | Redemption Amount (including early redemption): | [Denomination Amount/[others]] |
| 10. | Interest Basis: | [Fixed Rate/Floating Rate/Variable Rate] |
| 11. | Interest Commencement Date: | [●] |
| 12. | Fixed Rate Note | [●] |
| | (a) Maturity Date: | [●] |
| | (b) Fixed Rate Day Basis: | [360/365] |
| | (c) Reference Date(s): | [●] |
| | (d) Initial Broken Amount: | [●] |
| | (e) Final Broken Amount | [●] |
| | (f) Interest Rate: | [●] per cent. per annum |

13. Floating Rate Notes

- (a) Redemption Month: [●]
- (b) Interest Determination Date: [●]
- (c) FRN Day Basis: [360/365]
- (d) Interest Period: [●]
- (e) Benchmark: [SIBOR, Swap Rate, LIBOR or other benchmark]
- (f) Primary Source: [*Specify relevant screen page or "Reference Banks"*]
- (g) Reference Banks: [*Specify three*]
- (h) Spread: [●] per cent. per annum
- (i) Relevant Time: [●]
- (j) Relevant Financial Centre: [●]

14. Variable Rate Note

- (a) Redemption Month: [●]
- (b) Interest Determination Date: [●]
- (c) VRN Day Basis: [360/365]
- (d) Interest Period: [●]
- (e) Benchmark: [SIBOR, Swap Rate, LIBOR or other benchmark]
- (f) Primary Source: [*Specify relevant screen page or "Reference Banks"*]
- (g) Reference Banks: [*Specify three*]
- (h) Spread: [] per cent. per annum
- (i) Relevant Time: [●]
- (j) Relevant Financial Centre: [●]

15. Hybrid Note

- (a) Fixed Rate Note: [●]
- (b) Floating Rate Note: [●]
- (c) Maturity Date: [●]
- (d) Redemption Month: [month and year]

- (e) Interest Determination Date: [●]
- (f) Fixed Rate Day Basis: [360/365]
- (g) FRN Day Basis: [360/365]
- (h) Reference Date(s): [●]
- (i) Initial Broken Amount: [●]
- (j) Final Broken Amount: [●]
- (k) Interest Rate: [●] per cent. per annum
- (l) Interest Period: [●]
- (m) Benchmark: [SIBOR, Swap Rate, LIBOR or other benchmark]
- (n) Primary Source: [*Specify relevant screen page or "Reference Banks"*]
- (o) Reference Banks: [*Specify three*]
- (p) Spread: [] per cent. per annum
- (q) Relevant Time: [●]
- (r) Relevant Financial Centre: [●]

16. Zero Coupon Note

- (a) Maturity Date: [●]
- (b) Reference Price: [●]
- (c) Accrual Yield: [●] per cent. per annum
- (d) Day Count Fraction:

Actual/	Actual	Actual
Actual	365	360
-
- (e) Any other formula/basis of determining amount payable: [●]

17. Company's Redemption Option: [Yes/No]
 Company's Redemption Option Period [Specify maximum and minimum number of days
 (Condition 7(d)): for notice period] [Specify Dates]

18. Noteholder's Redemption Option: [Yes/No]
 Noteholder's Redemption Option Period [Specify maximum and minimum number of days
 (Condition 7(e)): for notice period] [Specify Dates]

19. Company's Purchase Option:
Company's Purchase Option Period
(Condition 7(b)):
- [Yes/No]
[Specify maximum and minimum number of days
for notice period] [Specify Dates]
20. Noteholders' VRN Purchase Option:
Noteholders' VRN Purchase Option
Period (Condition 7(c)(i)):
- [Yes/No]
[Specify maximum and minimum number of days
for notice period] [Specify Dates]
21. Noteholders' Purchase Option:
Noteholders' Purchase Option Period
(Condition 7(c)(ii)):
- [Yes/No]
[Specify maximum and minimum number of days
for notice period] [Specify Dates]
22. Redemption for Taxation Reasons:
- Yes
[on [insert other dates of redemption not on
interest payment dates]]
23. Form of Notes:
- [Bearer/Registered]
24. Notes to be represented on issue by:
- [Global Certificate/Temporary Global Note/
Permanent Global Note. If nothing is specified
and this Pricing Supplement does not specify that
the TEFRA C Rules apply, Notes will be
represented initially by a Temporary Global Note]
25. Temporary Global Note exchangeable
for Definitive Notes:
- [Yes/No]
26. Temporary Global Note exchangeable
for Permanent Global Note:
- [Yes/No]
27. Listing:
- [●]
28. Clearing System:
- [●]
29. Method of issue of Notes:
- [Individual Dealer/Syndicated Issue]
30. The following Dealer(s) [is/are]
subscribing for the Notes:
- [insert legal name(s) of Dealer(s)]
31. The aggregate principal amount of Notes
issued has been translated in Singapore
Dollars at the rate of [●] producing a sum
of (for Notes not denominated in
Singapore Dollars):
- S\$[●]
32. Governing Law:
- [English law/Singapore law]
33. Issuing and Paying Agent:
- [●]
34. Agent Bank:
- [Specify/State "**None**"]
35. U.S. Selling Restrictions:
- Reg S Compliance Category [1/2];
[TEFRA C/TEFRA D/TEFRA not applicable]

36. Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

(a) Details of any additions or variations to terms and conditions of the Notes as set out in the Information Memorandum: [●]

(b) Any additions or variations to the selling restrictions: [●]

37. Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]

(a) Details of any additions or variations to terms and conditions of the Notes as set out in the Information Memorandum: [●]

(b) Any additions or variations to the selling restrictions: [●]

38. **Hong Kong SFC Code of Conduct**

(a) Rebates [A rebate of [●] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMLs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable]

(b) Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent: [Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide]/[Not Applicable]

(c) Marketing and Investor Targeting Strategy [if different from the Programme IM]

Signed: _____
Duly Authorised Signatory

Signed: _____
Duly Authorised Signatory

CAPITALISATION

The following table sets out the capitalisation of the Group as at 31 March 2023 based on the audited consolidated financial statements of the Group as at 31 March 2023.

	As at 31 March 2023
	Audited
	(S\$ million)
Share capital of Singapore Airlines – issued and fully paid	7,180.2
Mandatory convertible bonds	6,195.1
General reserves	6,174.0
Treasury Shares	(73.8)
Foreign currency translation reserve	(32.4)
Share-based compensation reserve	24.3
Fair value reserve	506.9
Capital reserve	(116.0)
Equity holders' funds	19,858.3
Short-term liabilities	
Lease liabilities	617.3
Borrowings	2,547.7
Long-term liabilities	
Lease liabilities	3,560.6
Borrowings	8,613.7
Total Indebtedness	15,339.3
Total Capitalisation	35,197.6

On 10 May 2023, the Company announced its intention to partially redeem 50 per cent. of the aggregate principal amount of the Rights MCBs (as defined below), being S\$3,098,396,758.50 (subject to rounding adjustments by The Central Depository (Pte) Limited (the “**Depository**”)¹) (the “**Relevant Principal Amount**”), on 24 June 2023 on a *pro rata* basis and at the relevant accreted principal amount, being 108.243 per cent. of the Relevant Principal Amount of the Rights MCBs.

As 24 June 2023 is not a business day, payment of the redemption moneys will be made on 26 June 2023. The above partial redemption was completed on 26 June 2023.

Save as disclosed above, there has been no material change to the capitalisation and indebtedness of the Group since 31 March 2023.

¹ The Relevant Principal Amount of each holder's Rights MCBs to be redeemed pursuant to the Partial Redemption will be rounded down to the nearest whole dollar.

SINGAPORE AIRLINES LIMITED

(A) INTRODUCTION

Singapore Airlines traces its history to the birth of Malayan Airways Limited in May 1947. Singapore Airlines' first flight in its own name took place on 1 October 1972.

Shares in the capital of Singapore Airlines were listed on the SGX-ST in December 1985. Its market capitalisation was approximately S\$21.89 billion² as at 21 July 2023. The substantial shareholder (as shown in the Register of Substantial Shareholders) of Singapore Airlines, Temasek, holds approximately 53.5 per cent. of the total share capital of Singapore Airlines. Temasek is wholly-owned by the government of Singapore.

Singapore Airlines provides commercial airline services to destinations in Asia, America, Europe, Middle East, Africa, Australia and New Zealand from its hub at Singapore's Changi Airport. Global recovery from the COVID-19 pandemic has led to an uptick in travel demand. Several strategic decisions made by the Group ahead of the recovery in air travel enabled the Group to capture the pent-up demand when borders re-opened. The Group's passenger capacity reached 79 per cent. of pre-COVID-19³ levels in March 2023, which is higher than the 58 per cent.⁴ for international scheduled services of Asia-Pacific airlines. In FY2023, the two Singapore-based airlines in the Group, namely Singapore Airlines and Scoot, collectively carried 26.5 million passengers which was six times higher compared to a year before. Singapore Airlines alone carried over 18.2 million passengers. The Group passenger load factor ("PLF") rose 55.3 percentage points to 85.4 per cent., the highest in the Group's history. Singapore Airlines achieved a record PLF of 85.8 per cent., while Scoot delivered a PLF of 83.9 per cent.

The Group reported a net profit of S\$2,157 million in FY2023, rebounding from a loss of S\$962 million in FY2022. This was mainly driven by better operating performance which saw operating profit rise to S\$2,692 million and lower net finance charges, and was partially offset by a tax expense versus a tax credit in FY2022.

The Group remains focused on maintaining its leadership position in target markets, with a focus on long-term profitability. While geopolitical and macroeconomic uncertainties together with high cost inflation and increasing global passenger capacity could pose challenges for the airline industry in the near future, demand for air travel remains robust in Q1 FY2024. The Group will continue to monitor developments closely and remain agile in its response so that it can seize all revenue and growth opportunities.

As at 31 March 2023, the major subsidiaries of the Group were SIAEC and Scoot. SIAEC is listed on the SGX-ST. Following the completion of the integration of SilkAir with Singapore Airlines in September 2021, the financial performance for Singapore Airlines and SilkAir are consolidated and presented under the Full-Service Carrier segment. The operating results of the main companies in the Group for FY2023 are as follows:

Operating Profit/(Loss)	FY2023 (S\$ million)	FY2022 (S\$ million)
Full-Service Carrier	2,601.2	(111.9)
Low-Cost Carrier	148.1	(453.6)
Engineering services	(26.3)	(21.9)

² Based on closing price of S\$7.36 as at 21 July 2023.

³ Pre-COVID-19 refers to January 2020, before the onset of COVID-19 pandemic.

⁴ Based on Association of Asia Pacific Airlines (AAPA) traffic report for March 2023. This report incorporates data from 40 airlines in the Asia-Pacific region, including SIA and Scoot.

Singapore Airlines is one of the most awarded airlines globally. A comprehensive list of the awards won by the Group are set out on pages 48 and 49 of its Annual Report for FY2023. Singapore Airlines aims to be one of the favourite airlines among business and leisure travellers in numerous international rankings, highlighting its continued focus on product innovation and service excellence.

In addition to global and regional “Best Airline” awards which Singapore Airlines has won in rankings covering diverse markets, numerous other accolades have been received in categories such as in-flight entertainment, food and beverages, ground services, safety and company management, among others. In 2023, Singapore Airlines is one of the Top 50 World’s Most Admired Companies (ranked 31), becoming the highest-ranked Asian firm in this list.⁵ In 2023, Singapore Airlines was named Airline of the Year in the 49th Annual Air Transport World Airline Industry Awards and the World’s Best Airline in the Skytrax World Airline Awards 2023.

(B) PRINCIPAL ACTIVITIES OF THE GROUP

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

The Group focuses on its core airline business, with key stakes in airline-related services in order to maintain high quality and safety standards. The Group also supplements its organic growth through partnerships and strategic stakes in other airlines, and related businesses that provide alternative sources of income.

The table below shows the contribution of various business units to the Group’s revenue and overall results for the financial years ended 31 March 2023 and 2022.

	Revenue		Profit/(Loss)	
	FY2023 (S\$ million)	FY2022 (S\$ million)	FY2023 (S\$ million)	FY2022 (S\$ million)
Full-Service Carrier	15,590.1	7,068.1	2,094.6	(502.9)
Low-Cost Carrier	1,965.0	432.8	43.5	(477.5)
Engineering services	796.0	566.1	66.5	67.8
Others	131.6	119.8	(42.2)	(18.1)
	18,482.7	8,186.8	2,162.4	(930.7)
Inter-segment transactions	(707.9)	(572.0)	0.9	(17.4)
Total	17,774.8	7,614.8	2,163.3	(948.1)

Source: Annual Report of the Group for FY2023.

⁵ Based on Fortune’s List of World’s Most Admired Companies.

PASSENGER SEGMENT

The table below summarises certain key indicators of the Group's passenger segment for FY2023, FY2022, FY2021, FY2020 and FY2019:

	FY2023	FY2022	FY2021	FY2020	FY2019
Passengers carried (thousand)	26,486	3,890	596	35,800	36,095
Revenue passenger-km (million)	113,628.1	20,664.5	2,890.6	140,998.5	140,838.1
Available seat-km (million)	133,031.9	68,570.3	21,721.2	171,211.2	169,606.6
Passenger load factor (%)	85.4	30.1	13.3	82.4	83.0
Passenger yield (cents/pkm)	11.8	13.6	23.7	9.1	9.2
Revenue per available seat-km (cents/ask)	10.0	4.1	3.2	7.5	7.7

Revenue passenger-km = Number of passengers carried x distance flown (in km)

Available seat-km = Number of available seats x distance flown (in km)

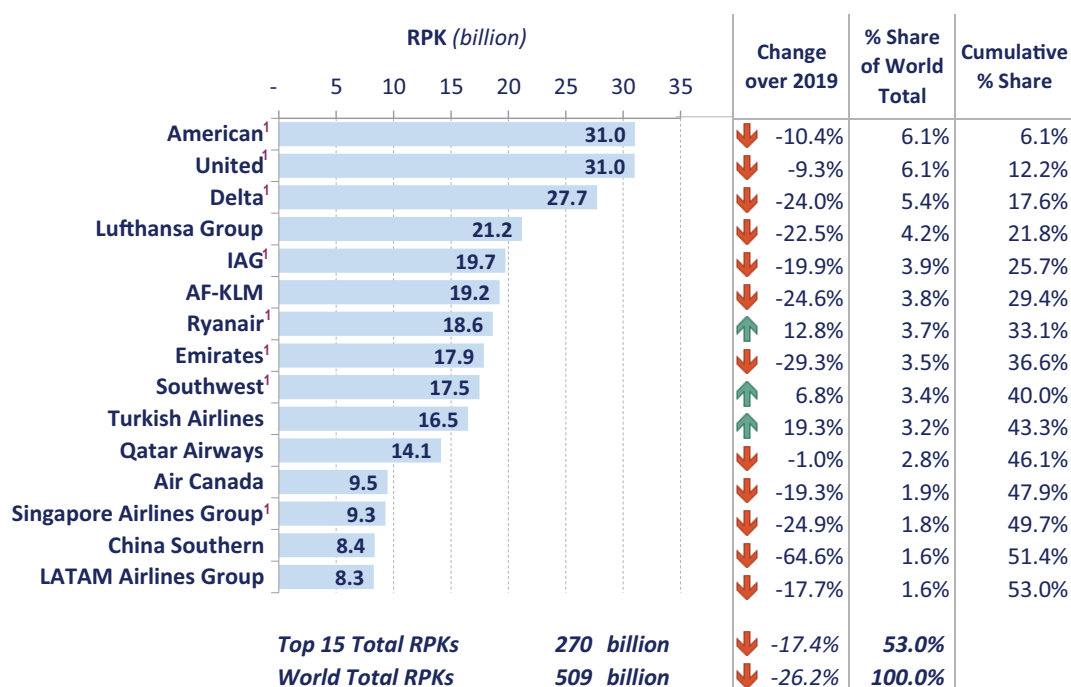
Passenger load factor = Revenue passenger-km expressed as a percentage of available seat-km

Passenger yield = Passenger revenue from scheduled services divided by revenue passenger-km

Revenue per available seat-km = Passenger revenue from scheduled services divided by available seat-km

Source: Annual Reports of the Group for FY2023, FY2022, FY2021 and FY2020.

The Singapore Airlines group is one of the world's largest airline groups. It was ranked 13th largest in terms of revenue passenger kilometres ("RPKs") in September 2022.



Source: International Civil Aviation Organization, Air Transport Monthly Monitor November 2022.

Singapore Airlines has a geographically diversified revenue base from passenger operations. For FY2023 and FY2022, Singapore Airlines derived 76.8 per cent. and 81.8 per cent. respectively of its passenger revenue (by route region) from routes to destinations outside of East Asia. This diversification has allowed it to tap on the international connectivity from its hub in Singapore, reduce its reliance on any particular country or region outside its base, and enable the airline to reallocate capacity when required, thus enhancing the stability of Singapore Airlines' revenue stream.

Singapore Airlines Passenger Revenue by Route Region⁶

	FY2023		FY2022	
	(S\$ million)	%	(S\$ million)	%
East Asia	2,678.3	23.2	457.8	18.2
Americas	2,366.3	20.6	536.6	21.4
Europe	2,609.0	22.6	810.1	32.3
South West Pacific	2,422.6	21.0	458.6	18.3
West Asia and Africa	1,454.0	12.6	246.7	9.8
Systemwide	11,530.2	100.0	2,509.8	100.0

Source: Annual Report of the Group for FY2023.

Singapore Airlines Passenger Revenue by Area of Original Sale⁷

	FY2023		FY2022	
	(S\$ million)	%	(S\$ million)	%
East Asia	5,163.8	44.8	1,247.8	49.6
Americas	1,239.3	10.7	478.3	19.1
Europe	1,903.5	16.5	375.9	15.0
South West Pacific	2,211.0	19.2	243.2	9.7
West Asia and Africa	1,012.6	8.8	164.6	6.6
Systemwide	11,530.2	100.0	2,509.8	100.0

Source: Annual Report of the Group for FY2023.

⁶ Each route region comprises routes originating from Singapore to final destinations in countries and territories within the region concerned and vice versa. East Asia covers Brunei, Cambodia, Hong Kong SAR, Indonesia, Japan, Malaysia, Myanmar, the People's Republic of China, the Philippines, South Korea, Thailand, Taiwan and Vietnam. The Americas denotes Canada and the USA. Europe consists of Denmark, England, France, Germany, Italy, Russia, Spain, Switzerland, the Netherlands and Turkey. South West Pacific covers Australia and New Zealand. West Asia and Africa are made up of Bangladesh, India, the Maldives, Nepal, South Africa, Sri Lanka and the United Arab Emirates.

⁷ Each area of original sale comprises countries and territories within a region from which the sale is made.

CARGO SEGMENT

The table below summarises certain key indicators of the Group's cargo segment for FY2023 and FY2022:

	FY2023	FY2022	% Change
Cargo and mail carried (million kg)	923.0	1,046.0	-11.8
Cargo load (million tonne-km)	5,260.8	5,941.0	-11.4
Gross capacity (million tonne-km)	9,165.4	7,195.3	+27.4
Cargo load factor (%)	57.4	82.6	-25.2 pts
Cargo yield (cents/ltk)	68.5	73.0	-6.2
Cargo unit cost (cents/ctk)	24.9	27.2	-8.5

Cargo load = Cargo and mail load carried (in tonnes) x distance flown (in km)

Gross capacity = Cargo capacity production (in tonnes) x distance flown (in km)

Cargo load factor = Cargo and mail load (in tonne-km) expressed as a percentage of gross capacity (in tonne-km)

Cargo yield = Cargo and mail revenue from scheduled services divided by cargo load (in tonne-km)

Cargo unit cost = Cargo operating expenditure divided by gross capacity (in tonne-km)

Source: Annual Report of the Group for FY2023.

In FY2023, the cargo segment's performance moderated year-on-year as the demand for air freight declined, and as supply chain disruptions brought about by the COVID-19 pandemic subsided. Macroeconomic headwinds dampened consumer demand, while high inventory levels led to a slowdown in new orders. Cargo yields fell year-on-year as industry bellyhold capacity increased with the progressive restoration of passenger flights. Nevertheless, cargo revenue remained 83 per cent. above the pre-COVID-19 level recorded in calendar year 2019.

Year-on-year, cargo flown revenue fell S\$735 million to S\$3,604 million as a result of lower cargo loads (dropped 11.4 per cent.) and yields (dropped 6.2 per cent.). Nonetheless, this was the second-highest annual cargo revenue figure in the Group's history.

The tables below set out the Group's cargo revenue for FY2023 and FY2022, by route region and area of original sale:

Group Cargo Revenue by Route Region

	FY2023		FY2022	
	(\$ million)	%	(\$ million)	%
East Asia	1,004.0	27.8	1,217.1	28.0
Americas	570.2	15.8	783.7	18.1
Europe	925.6	25.7	1,056.7	24.4
South West Pacific	773.7	21.5	899.0	20.7
West Asia and Africa	330.3	9.2	382.9	8.8
Systemwide	3,603.8	100.0	4,339.4	100.0

Source: Annual Report of the Group for FY2023.

Group Cargo Revenue by Area of Original Sale⁸

	FY2023		FY2022	
	(S\$ million)	%	(S\$ million)	%
East Asia	2,318.7	64.4	2,952.4	68.0
Americas	164.7	4.6	181.2	4.2
Europe	682.2	18.9	657.8	15.2
South West Pacific	224.3	6.2	286.6	6.6
West Asia and Africa	213.9	5.9	261.4	6.0
Systemwide	3,603.8	100.0	4,339.4	100.0

Source: Annual Report of the Group for FY2023.

(C) OTHER BUSINESS ACTIVITIES

Apart from airline operations, the Group's other principal business activities are undertaken by its subsidiaries, as described in the section below titled "Major Subsidiaries".

(D) STRATEGIC OVERVIEW

The below provides an overview of the Group's business strategies, financial strategies and sustainability agenda.

BUSINESS STRATEGY

The Group's business strategies support and sustain its mission statement: "Singapore Airlines is a global company dedicated to providing air transportation services of the highest quality and to maximising returns for the benefit of its shareholders and employees".

The Group's key business strategies aim to:

- achieve steady capacity growth in a cyclical business and build a portfolio of airlines and a diversified route network to protect against regional business downturns;
- sustain growth with Singapore as the premier air hub with optimal flight connectivity for its customers;
- make effective use of alliances and other partnerships for greater marketing and distribution reach beyond the services that it operates;
- enhance digital capabilities to tap new revenue generation opportunities, upskill employees and raise operational efficiency;
- improve and upgrade customers' travel experience on the ground and in the air, through continual product and service improvements and fleet renewal;
- develop human resources, with a strong emphasis on training, to deliver superior customer services; and
- strive for sustainable improvements in cost efficiency through continuous focus on streamlining business processes and investing in airline-related services.

⁸ Each area of original sale comprises countries and territories within a region from which the sale is made.

(1) Portfolio of Airlines

The Group is committed to its portfolio strategy, to cater to both the full-service premium segment with Singapore Airlines, and the low-cost segment with Scoot, with the ability to offer the right products to match the demand. With cross-selling and network collaboration between Singapore Airlines and Scoot, the Group can optimise aircraft deployment to the right markets depending on the route best served by its airlines.

In July 2017, Scoot and Tiger Airways completed their merger as a single airline under a common Air Operator Certificate and a single Scoot brand. This provides Scoot with greater flexibility to optimise capacity for a combined network by adjusting capacity and aircraft deployment based on route demand and seasonal fluctuations. Scoot is also able to cover an even larger network and sustain long-haul operations through greater regional passenger feed while providing improved connectivity for passengers. With its low-cost model and regional foothold, Scoot's recovery has accelerated following the easing of border restrictions in the region. In November 2022, Scoot surpassed Singapore Airlines in recovery and was operating at 90 per cent. of pre-COVID-19 capacity in May 2023. In FY2023, Scoot also achieved a record full-year operating profit of S\$148.1 million.

The integration of SilkAir's narrowbody operations with Singapore Airlines was concluded in September 2021, providing the Group with greater economies of scale and wider flexibility of aircraft deployment in its full-service operations.

SIA Cargo, which operated as a subsidiary of the Group prior to 1 April 2018, was reintegrated into Singapore Airlines on 1 April 2018 to improve efficiency and strengthen the support for the cargo business through greater synergy with Singapore Airlines.

(2) Multi-hub Strategy

The Group's portfolio of airlines is also part of its multi-hub strategy which provides access to new markets and allows it to tap into new traffic flows through investments and partnerships with other airlines.

The Group is at the heart of Singapore's aviation ecosystem and anchors Singapore's air hub status. Singapore Airlines and Scoot carried a total of 26.5 million passengers in FY2023. Beyond Singapore, the Group's multi-hub strategy complements its efforts to strengthen and grow the Singapore aviation hub. By investing in airlines outside Singapore, the Group is able to set up new hubs in growing markets, extending its reach and tapping on new traffic flows. Singapore Airlines holds a 49.0 per cent. stake in Vistara, a joint venture airline with Tata Sons Private Limited ("**Tata Sons**") in India. On 29 November 2022, the Group announced that Singapore Airlines and Vistara entered into an implementation agreement with Tata Sons, Talace Private Limited ("**Talace**") (a wholly-owned subsidiary of Tata Sons) and Air India, in connection with the Proposed Merger. Air India owns 100 per cent. of the existing share capital of Air India Express Limited ("**AIX**") and AirAsia (India) Limited ("**AAI**") and a 50.0 per cent. interest in Air India SATS Airport Services Private Limited ("**AI-SATS**", and together with Air India, AIX and AAI, the "**AI Group**"). The Proposed Merger is subject to and conditional upon the satisfaction and/or waiver of various conditions precedent, including, *inter alia*, anti-trust and merger control approvals in India, Singapore and other relevant jurisdictions, the approval of the Indian civil aviation authority, as well as other governmental and regulatory approvals. Upon completion of the Proposed Merger, Singapore Airlines will hold approximately 25.1 per cent. of the enlarged Air India (which will include Vistara and Talace). The Proposed Merger will enable the Group to participate directly in India's fast growing airline market. As the global economy recovers from COVID-19, business and leisure travel in and out of India is expected to grow strongly, supported by an expanding Indian economy, rising income levels, and rising demand for air travel. Singapore Airlines will be able to strengthen its position in the Asian market by becoming a key strategic shareholder in Air India.

The Group's joint ventures in the aviation value chain also enhances Singapore's position as a leading aviation hub. Examples of such joint ventures include SIAEC's joint venture with Rolls-Royce Overseas Holdings and the joint venture between Airbus and Singapore Airlines.

(3) New Business Initiatives

COVID-19's crippling impact on air travel has underscored the importance of growing diverse revenue streams. The Group continues to pursue new channels of growth and expand its ecosystem to complement its core revenue streams.

KrisFlyer is the Group's rewards programme. Its digital wallet application is the world's first blockchain-based airline loyalty digital wallet. It allows the extensive KrisFlyer membership base to use digital KrisFlyer miles for point-of-sale transactions at participating retail merchants. Over the last few years, KrisFlyer has evolved to offer more on-ground lifestyle-centric accrual and redemption opportunities. Its redemption revenue exceeded S\$900 million in FY2023 and now has over 1,300 KrisFlyer brand partners worldwide. More KrisFlyer members are also using their miles on a variety of other non-air redemption options including KrisShop, Kris+, KrisFlyer Experiences, and Pelago. The broader range of products, services and experiences being made available to KrisFlyer members also resulted in a 163 per cent. year-on-year increase in the number of member transactions across these platforms.

As of March 2023, the Kris+ mobile application has 1.7 million downloads and 275,000 monthly active users. Its platform also allows customers access to 495 brands in Singapore and 491 brands across 17 overseas countries. Pelago is a travel experience platform created by the Group that allows customers to book activities on it. In FY2023, Pelago experienced a growth in bookings as travel demand surged following the easing of COVID-19 restrictions. As of 31 March 2023, it has over 2,300 experiences across 73 global destinations, including the Asia-Pacific region, Europe and the United States.

To tap on greater passenger volume, Singapore Airlines re-launched the Free Singapore Tour for transfer and transit passengers in partnership with Changi Airport Group and the Singapore Tourism Board in April 2023, after a two-year hiatus due to COVID-19. The tour aims to enhance Changi Airport's attractiveness as a transfer hub and to entice transit and transfer passengers to visit Singapore as a holiday destination. Transit and transfer passengers make up a huge potential market as they accounted for about 30 per cent. of passenger traffic at Changi Airport pre-pandemic.

Singapore Airlines also explores various partnership opportunities to diversify its business. The Airbus Asia Training Centre ("**AATC**") is a joint venture between Airbus and Singapore Airlines that delivers a comprehensive range of flight crew training services. As of 31 March 2023, the centre has served 82 airline customers in the Asia-Pacific region and beyond since its opening in 2015. AATC is the largest flight crew training centre in Airbus' network. It houses ten full flight simulators ("**FFS**") in a 10,000-square metre facility and is home to two Airbus A320, two Airbus A330, one Airbus A380, four Airbus A350 FFS, and an ATR 72-600 FFS.

(4) Strengthening Premium Positioning

Service Excellence

The Group is committed to shaping the travel journey into a seamless and comfortable one for its customers. Singapore Airlines' brand is designed to project a personality committed to success and excellence as embodied in the "Singapore Girl" – Singapore Airlines' famous icon that symbolises the grace and warmth of its service to its customers. In January 2023, Singapore Airlines launched its global brand campaign titled "Welcome to World Class", reflecting its commitment to deliver an exceptional customer experience across the end-to-end travel journey. Singapore Airlines' focus

on building its brand awareness and customer loyalty has contributed to its consistent growth. By adhering to its longstanding policy of maintaining a young and modern fleet, together with award-winning service, Singapore Airlines believes in providing customers with a superior air travel experience and focuses on constantly improving standards in all classes of travel.

Singapore Airlines has a dedicated Customer Experience Department (“**CExD**”) which envisions the end-to-end customer journey and develops strategies to enhance its customer experience. The CExD leverages technology to achieve customer loyalty and increase revenue by delivering value to Singapore Airlines’ customers and creating memorable experiences. In FY2023, CExD enhanced its Customer Insights Portal (“**CIP**”), which is a platform where customers’ feedback are collected and analysed. The CIP provides a holistic view of customers’ end-to-end journeys and enables near real-time monitoring of customer feedback. It also uses artificial intelligence (“**AI**”) to accurately label comments by topic so that business units can extract feedback analysis expeditiously and easily. This allows Singapore Airlines to respond quickly to customers’ needs.

Product Leadership

The Group continues to invest across its suite of products, such as infrastructure, its fleet, and in-flight offerings to retain its premium position in the industry.

On the airport front, the Group worked on a three-year-long upgrade and expansion project to redesign, expand, and upgrade the SilverKris and KrisFlyer Gold lounges at Changi Airport Terminal 3. The Business Class SilverKris Lounge was officially opened on 23 November 2021, and features a larger space. The lounge caters to the changing needs of customers with a variety of seating options, affording them the flexibility to work, dine, or rest in comfort. All of the lounges were officially unveiled in May 2022, further enhancing the on-ground customer experience at Singapore Airlines’ main hub.

Singapore Airlines continued with the Singapore Showcase in FY2023, a meal programme launched in August 2021 that features iconic dishes from Singapore’s UNESCO-listed Hawker Culture.

In November 2021, Singapore Airlines launched its new narrowbody cabin products on board its Boeing 737-8 aircraft. This includes lie-flat Business Class seats and seatback in-flight entertainment (“**IFE**”) system across all cabin classes. Singapore Airlines invested around S\$230 million in the development, design and installation of the new industry-leading cabin products, which elevate the standard for short and medium-haul travel on board its narrowbody aircraft. The Group is also finalising its next-generation long-haul products, including all-new First Class, Business Class, Premium Economy Class and Economy Class cabin products.

Singapore Airlines continued to enhance its live entertainment, Wi-Fi connectivity and e-commerce offerings as part of its ongoing effort to offer exceptional in-flight experiences in FY2023. More customers can now stay abreast of the latest news and sporting events through its Live TV service which complements over 1,900 in-flight entertainment options already available on KrisWorld. Since February 2023, all Business Class customers as well as the PPS Club members could enjoy complimentary unlimited in-flight Wi-Fi on their flights and this makes Singapore Airlines one of the first airlines to offer complimentary unlimited Wi-Fi across its passenger network for its Suites, First Class and Business Class customers, as well as PPS Club members and PPS Club supplementary card holders. From 1 July 2023, KrisFlyer members travelling in Economy Class and Premium Economy Class will also be able to access free unlimited Wi-Fi and with this enhancement, Singapore Airlines is now one of the few carriers offering this service across all cabin classes. The world’s first inflight e-shopping experience was launched in June 2021, with the KrisShop e-commerce platform becoming available via the KrisWorld IFE system. The platform offers customers a choice of over 4,000 products across a wide range of categories, including exclusive airline merchandise, beauty products, fragrances, electronics and liquor.

Digital Transformation

The Group recognises the importance of capturing business value through digital innovation and invests in technologies to enhance its digital capabilities.

In January 2022, Singapore Airlines launched a new S\$45 million corporate laboratory in collaboration with the National University of Singapore. This research facility will help to accelerate the digital transformation of Singapore's aviation sector, and redefine the travel experience for customers through cutting-edge technology. This initiative aims to strengthen Singapore Airlines' position at the forefront of digital innovation as it continues to drive towards its goal of being the world's leading digital airline.

In October 2022, Singapore Airlines implemented IBS Software's fully integrated SaaS-based cargo management solution, iCargo, which is used to support end-to-end business functions such as cargo sales, reservations, import and export operations, air mail handling, and revenue accounting. iCargo provides a single integrated cargo application for business users in Singapore and overseas, as well as a seamless interface with partners, simplifying the end-to-end operations. Enhanced data quality and insights also allow the Group to make real-time, data-driven decisions across its sales, operations, and finance processes, while ensuring compliance with international regulations.

The Group's innovation lab, KrisLab, which was opened in 2019, serves as a collaborative workspace for the Group's staff to develop innovative ideas and co-innovate with external partners, start-ups, established incubators and accelerators, enabling the Group to fully embrace digitalisation and technology in all aspects of its business operations. As of FY2023, 1,877 digital ideas have been initiated by the Group's staff, 2,201 start-up teams have been engaged, 362 prototypes have been completed and 52 proof-of-concepts have been completed/implemented. KrisLab also developed an in-house AI software, GPT Studio, that harnesses GPT – 3.5/4 technology and provides a safe space for staff to experiment and use in their work. As at 31 March 2023, there are close to 1,000 daily usage of the software and many use cases are being developed. Enhancements are also being made to enable GPT Studio to understand the Group better so that it can produce more useful outcomes.

The Group remains committed to building a dynamic and resilient workforce and a priority is to equip its people with the skills to remain future-ready. This includes deepening the digital mindset and culture in employees, and grooming internal entrepreneurs. ASCEND is an in-house digital training curriculum that leverages design thinking, lean startup, agile, and data-digital approaches, and has been progressively rolled out to equip all ground staff with future-ready skills.

Singapore Airlines also leveraged technologies such as AI and cloud computing to strengthen its operational resilience, and drive higher productivity across its workforce. It clinched the TechBlazer 2021 award in the Best Adoption – Enterprise category for its Cabin Crew Digital Ecosystem, which comprises data and AI-driven applications to support the cabin crew journey towards a more efficient workforce and optimised operations.

The Group embarked on its latest three-year Transformation programme in FY2021 to bolster its resilience and agility, as it navigated uncertainties and seized growth opportunities in a fast-changing aviation environment. FY2023 marks the third and final year of the Transformation programme, which aims to position the Group for long-term success and sustainability.

The three transformation pillars of being a world-class leader, achieving financial sustainability and building a dynamic and resilient team, underpin the Group's efforts to remain innovative and agile to adapt to the evolving industry landscape. Redesigning the travel experience to seamlessly integrate health and safety measures, and leveraging technology to enhance the Group's products and services, are some examples of how it reinvented itself to continue delivering a world-class travel experience in the midst of the pandemic.

To reinforce financial sustainability, the Group introduced a wide range of initiatives to strengthen its revenue generation capabilities, and invested in new engines of growth through non-airline revenue streams. The Group also worked closely with its partners in the aviation ecosystem to build flexibility and scalability into its business, to secure greater efficiencies and synergies for the future.

The Group continues to invest in its workforce and has rolled out comprehensive upskilling programmes that aim to strengthen the resilience and preparedness of its people. The drive to improve productivity resulted in the implementation of over 200 initiatives that have saved more than 550,000 staff hours over the course of the three-year Transformation Programme. This has enabled the Group to improve its workforce efficiency and refocus resources on higher-value activities to enhance operational efficiencies and improve the overall customer experience.

Recognising the need for continuous transformation to stay ahead in today's rapidly changing business environment, the Group continues to prioritise developing a culture of innovation and agility across the organisation. By enhancing its innovation capabilities and agility, the Group aims to build an organisation that can continue to address emerging trends and seize new opportunities to remain at the forefront of the industry, sustainably delivering value to customers, employees, and stakeholders in the long term.

Network Connectivity

The Group works with its strategic partners to increase network connectivity, through embarking on new partnerships and deepening its existing partnerships. In FY2023, the Group enhanced its network to over 220 destinations through its 33 codeshare partners. Singapore Airlines entered into a wide-ranging partnership agreement with All Nippon Airways in January 2020, as well as agreements with tourism agencies from Japan, Western Australia and the Maldives in FY2020. Singapore Airlines and Virgin Australia extended their partnership agreement for a further five years in 2022 and remain committed to working closely to expand codeshare flights to more destinations across Singapore Airlines' network in the near term. Singapore Airlines expanded its codeshare with Malaysia Airlines and United Airlines in November 2021 and April 2022 respectively. Memorandum of Understandings ("**MOUs**") were also signed with Thai Airways International Public Company Limited and Vietnam Airlines in December 2022 and February 2023 respectively. These MOUs will allow Singapore Airlines to code share more extensively with the other airlines and explore other commercial collaborations that will provide their customers with more options and value.

In May 2023, Garuda Indonesia and Singapore Airlines announced plans to enter into a joint venture arrangement that would deepen the cooperation between the two carriers, increase passenger capacity between Singapore and Indonesia, and offer customers more travel options between the two countries, expanding on the MOU that the two airlines signed in November 2021. The proposed joint venture will cover routes between Singapore and Denpasar, Jakarta, and Surabaya, subject to regulatory approvals. This proposed joint venture will allow Garuda Indonesia and Singapore Airlines to offer customers more seamless flight connectivity between Indonesia and Singapore, and enable the carriers to explore new initiatives such as joint fare products and an alignment of corporate programmes to enhance the value proposition to customers.

As international borders began to reopen in FY2022, the Group actively restored passenger services and its network to pre-pandemic levels. This was done in a calibrated manner, in tandem with the easing of travel restrictions around the world. As Singapore opened its borders to all fully vaccinated travellers in April 2022, Singapore Airlines and Scoot could ramp up operations at short notice and were among the first carriers to launch flights as borders reopened. As a result, as at 31 March 2023, the Group restored its network to serve 109 destinations in 36 countries and territories, and its group passenger capacity reached 79 per cent. of pre-COVID-19 levels.

FINANCIAL STRATEGY

The Group's financial strategies are driven by the dual objectives to maintain a flexible and prudent financial structure that facilitates the commercial activities of the Group and to enhance shareholder value.

The Group targets gearing and debt service levels that are, in the foreseeable future, consistent with or better than the best airlines among its peers globally, providing it with the financial flexibility to pursue its business strategies.

Maintenance of adequate liquidity for the Group's needs is a critical objective. It retains liquidity in the form of cash and other liquid resources, committed credit facilities and access to debt markets through its multi-currency Medium Term Note Programme, Medium Term Bond Programme, secured and unsecured bank loans and any other cost-effective financing structures. The majority of aircraft on the Group's balance sheet are unencumbered.

The Group's operations carry certain financial and commodity risks, including the effects of changes in passenger demand, jet fuel prices, foreign currency exchange rates, interest rates and counterparty risks. Its overall risk management approach is to moderate the effects of such volatility on its financial performance. These financial risks are described in more detail in the section "Risk Factors".

The Board Executive Committee sets directions, policies and guidelines pertaining to financial strategy, including management of surplus funds, liquidity management, financing and financial risk management.

Since April 2020, the Group has raised approximately S\$23.5 billion in fresh liquidity. This includes S\$15 billion from shareholders through the issuances of rights shares and rights mandatory convertible bonds ("**Rights MCBs**"), with the remainder from sources including bond issuances, secured financing and aircraft sale-and-leaseback transactions. As at 31 March 2023, the Group also has committed unsecured credit facilities of around S\$2.2 billion available for utilisation. In December 2022, the Group redeemed all of the Rights MCBs issued in June 2020 and S\$3.9 billion was paid for the redemption. On 10 May 2023, as part of the recalibration of its balance sheet, the Group announced its intention to redeem 50 per cent. of the tranche of MCBs that were issued in June 2021. The accreted principal amount payable, being 108.243 per cent. of the principal amount of the MCBs in June 2021, was approximately S\$3.4 billion. This redemption was carried out on a pro-rata basis, with the redemption amount paid to eligible bondholders on 26 June 2023.

The Group continues to explore other sources of funding (including the sale and leaseback of aircraft) to further strengthen its liquidity position to enable the Group to address its cashflow requirements for near-term operations and provide financial flexibility to capture medium to long-term growth beyond the COVID-19 situation while ensuring ongoing fleet renewal and improving future operating efficiencies. This is expected to boost the Group's competitive advantages as the aviation industry recovers from COVID-19.

SUSTAINABILITY

In FY2023, the Group advanced its sustainability agenda to generate long-term value for the company, while doing its part to address climate change. To drive the Group's sustainability strategy, the Group appointed its first Chief Sustainability Officer in January 2023.

The Group announced its commitment to achieve net zero carbon emissions by 2050 in 2021 and since then, it has been leveraging multiple levers and making incremental progress in its decarbonisation journey. These include investments in new generation aircraft, achieving higher operational efficiencies, adopting low-carbon technology such as Sustainable Aviation Fuels ("**SAF**"), and sourcing for high-quality carbon offsets.

The Group adopts a multi-pronged approach to achieve its sustainability goals. Besides operating a young fleet of new generation aircraft to reduce its carbon emissions, it enhances fuel efficiency by improving operational procedures across its flight and ground operations and through engineering solutions. The Group invested in airframe and engine improvement packages that reduce drag and optimise performance. Singapore Airlines and Scoot also reduce fuel usage through aircraft weight management and the optimisation of flight routes. The Group continues to engage research institutions to explore technology and data analytics solutions that can further improve fuel efficiency and help reduce its carbon footprint.

The Group also collaborates with governments and partners in the aviation ecosystem to accelerate the development, production and adoption of SAF in the airline industry. In November 2021, the Group embarked on a pilot initiative with the CAAS, Temasek, Changi Airport Group and other stakeholders, to study and operationalise the deployment of SAF in Singapore. The insights gained from the pilot will be used to explore opportunities to scale up the Group's SAF deployment to meet its net zero emissions goal by 2050.

The Group participates in carbon-offsetting schemes and other discussions such as those convened by CAAS and will continue to work closely with ecosystem partners to develop practical pathways towards greener air travel that is viable and accessible to all. Initiatives to conserve resources by reducing waste across its operations, both on the ground and in the air, will further help reduce the Group's carbon footprint.

(E) COVID-19 RECOVERY

The COVID-19 pandemic has had an unprecedented impact on the aviation industry, with the airline sector facing the greatest crisis in its history. COVID-19 has seen the Group take a fundamental relook at its business operating model to strengthen its operational resilience and financial capabilities. An internal task force was created in May 2020 with four workgroups – Government and Health, Travel Experience, License, Certification and Manpower and Supply Chain to review all key operation aspects. This included thinking about what would be needed in the new normal, as well as necessary modifications to its in-flight products and end-to-end service delivery to provide additional health and safety assurances to customers and crew.

The Group focused on shoring up its finances, preserving its core capabilities and gearing up for recovery thus ensuring that it is well-positioned to emerge stronger post the COVID-19 pandemic.

The Group announced plans for a rights issue to raise up to S\$15 billion in liquidity as early as March 2020 and raised a total of S\$23.5 billion in liquidity since April 2020. All of the Group's discretionary expenditure was cut from as early as March 2020. In February 2021, the Group also reached agreements with Airbus and Boeing to revise its aircraft delivery schedule so that some of the aircraft will be delivered over a longer period than originally contracted, with the delivery stream spread out beyond the immediate five years. This enabled the Group to defer more than S\$4 billion of capital expenditure between FY2021 and FY2023 to later years, and recalibrate the rate of introduction of capacity following the disruption to the demand for air travel as a result of the COVID-19 pandemic. At the same time, the Group could retain its commitment to continue offering greater comfort and innovative products to customers, further drive operating efficiency, and support ongoing efforts to materially lower its carbon emissions, so as to cement its leadership position in the airline industry.

To preserve its core capabilities while cutting down on costs, the Group implemented hiring freeze, compulsory no-pay leave and pay cuts. Over 2,000 crew were redeployed to positions in key community sectors such as healthcare and transport under the Ambassador Programme. The Group's pilots also underwent routine simulator training to retain their skills even when crewing requirements were low.

The Group maintained its fleet even during the height of the COVID-19 pandemic. It parked 60 per cent. of its aircraft in long term storage but progressively reactivated them early on, albeit operating at lower utilisation levels when borders first reopened. Singapore Airlines and Scoot also resumed its cabin crew recruitment in February 2022 and December 2021 respectively, after a two-year hiatus. This factored in the need to replace cabin crew who have left over the last two years, as well as to meet the Group's growth plans. It successfully recruited the targeted 3,000 cabin crew by the end of FY2023.

In 2021, Singapore Airlines was awarded the 5-Star rating in the Skytrax Covid-19 Airline Safety Audit. The audit encompassed a comprehensive assessment of Singapore Airlines' health and safety measures for customers and staff members across the entire travel journey, which included the evaluation of more than 190 safety and hygiene protocols.

Despite the Group's strong recovery from COVID-19, challenges remain ahead. These include other airlines adding international capacity, weakening cargo demand, inflationary pressures, the Russia-Ukraine war and escalating US-China tensions, and high fuel costs.

(F) FLEET AND ROUTE NETWORK

FLEET

The Group has a modern fleet with relatively few aircraft and engine types. Such fleet commonality reduces maintenance and training costs. As at 31 March 2023, the Group's operating fleet consisted of 195 aircraft comprising 188 passenger aircraft and seven freighters. Singapore Airlines' operating fleet comprised 133 passenger aircraft⁹ and seven freighters, while Scoot had 55 passenger aircraft.¹⁰

Singapore Airlines took delivery of one Airbus A350-900 in March 2023 and one Boeing 787-10 in April 2023. These aircraft have since joined the operating fleet, alongside one Boeing 737-8 aircraft post the retrofit of its cabin.

In December 2021, Singapore Airlines signed a Letter of Intent with Airbus to purchase seven Airbus A350F freighter aircraft, with options to order another five aircraft. Deliveries are scheduled to begin in the fourth quarter of 2025, when Singapore Airlines will become the first airline to operate this new generation widebody freighter aircraft. The agreement includes a swap with 15 Airbus A320neo and two Airbus A350-900 passenger aircraft that are in the order book. The Airbus A350F can carry a similar volume of cargo as the Boeing 747-400F, which it will replace in the fleet. It burns up to 40 per cent. less fuel on similar missions to provide better operating economics, and boasts a longer range that offers greater flexibility in aircraft deployment.

In FY2023, the Group reached an agreement with Boeing to adjust its aircraft order book. This includes swapping three Boeing 787-9s for three Boeing 787-10s, and cancelling eight Boeing 737-8s. These adjustments are in line with the Group's long-term fleet renewal strategy, and support its projected operational requirements. Following these adjustments, the Group currently has 101 aircraft in its order book.

⁹ Singapore Airlines' 133-passenger aircraft fleet comprised 23 Boeing 777-300ERs, 12 AirbusA380s, 61 Airbus A350-900s, 15 Boeing 787-10s, seven Boeing 737-800s, and 15 Boeing 737- 8s.

¹⁰ Scoot's 55-passenger aircraft fleet comprised 10 Boeing 787-8s, 10 Boeing 787-9s, 20 AirbusA320neos, six Airbus A320neos, and nine Airbus A321neos.

With an average age of six years and nine months, the Group's fleet is one of the youngest and most fuel-efficient in the airline industry. This allows it to pursue operating efficiencies and continue offering world-class products and services to its customers. This also supports the Group's decarbonisation goals, as operating a young fleet of new generation aircraft is the most effective and direct way for an airline to materially lower carbon emissions in the near term.

The table below sets out certain key details on the Group's operating fleets¹¹ based on FY2023 figures:

Aircraft Type	Owned	Leased	Number of Aircraft	Average Age in Years (y) and Months (m)	On firm order	On Option / Purchase Rights
Singapore Airlines:						
A380-800	10	2	12	8y 7m		
A350-900 XWB	54	7	61	4y 2m	3	
777-300ER	20	3	23	13y 0m		
787-10	11	4	15	4y 4m	16	6
777-9					31	6
737-800		7	7	8y 2m		
737-8	9	6	15	2y 8m	13	
Sub-total	104	29	133	6y 2m	63	12
Singapore Airlines (Freighters):						
747-400F	7		7	19y 4m		
A350F					7	5
Sub-total	7		7	19y 4m	7	5
Scoot:						
787-8	7	3	10	6y 8m	3	
787-9	7	3	10	6y 5m	1	
A320		20	20	10y 5m	0	
A320neo	2	4	6	2y 11m	12	11
A321neo		9	9	1y 5m	6	
E190-E2					9	
Sub-total	16	39	55¹²	6y 8m	31	11
Total	127	68	195	6y 9m	101	28

New aircraft will be added to the fleet in the coming years. As at 31 March 2023, Singapore Airlines had firm orders for 63 aircraft, with options and/or purchase rights for a further 12 aircraft. In addition, as at 31 March 2023, Scoot had firm orders for three Boeing 787-8 aircraft, one Boeing 787-9 aircraft, 12 Airbus A320neos plus options for a further 11 such aircraft, and six Airbus A321neos. In February 2023, Scoot announced that it has placed orders for nine new Embraer E190-E2 aircraft to support its network growth strategy.

¹¹ Operating fleet excludes aircraft delivered and awaiting entry into service as well as those deemed surplus to fleet requirements, and includes aircraft that were withdrawn from service for temporary storage due to significant capacity cuts arising from the Covid-19 pandemic.

¹² Excludes aircraft on lease to other carriers.

The new aircraft will replace older aircraft, to ensure that the Group maintains a modern and fuel-efficient fleet of aircraft, and to provide the airline with additional expansion opportunities to ensure that Singapore Airlines retains its industry-leading position.

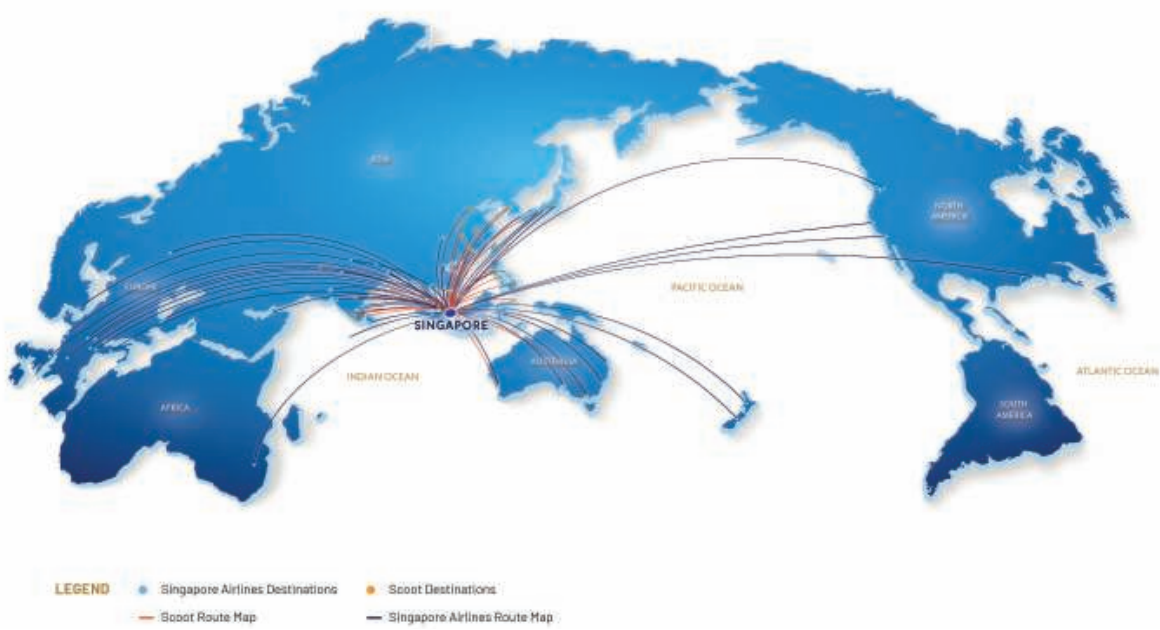
In FY2023, a write-back of S\$57.2 million was recorded on previously impaired aircraft and aircraft related assets with updates in previous estimates and developments in circumstances.

To hedge its exposure to aircraft residual value risk, the Group has, from June 1997, used the sale-and-leaseback market to dispose of some of its aircraft. In a sale-and-leaseback transaction, an investor purchases the aircraft and leases it back to the Group via an operating lease for an agreed fixed term. In certain cases, aircrafts are also acquired on direct operating leases. As at 31 March 2023, 68 aircraft in the Group’s operating fleet were on operating leases, of which 29 were leased by Singapore Airlines.

ROUTE NETWORK

The Group’s network growth strategy is premised on pursuing sustainable, profitable growth across a well-diversified network. With support from the Singapore Government, the Group has developed Singapore’s importance as an air hub, ferrying substantial hub traffic between key markets capitalising on Singapore’s strategic geographical location to feed traffic into other parts of Asia and the Southwest Pacific. A high frequency of services to key metro-city destinations, together with a dedication to offer premium service products, have helped to attract and retain higher yielding business travellers.

The Group operates an extensive and well-connected international route network. In FY2023 Q4, Singapore Airlines reinstated services to Guangzhou, China, while Scoot resumed services to Balikpapan, Indonesia and Qingdao, China. As at 31 March 2023, the Group’s passenger network,¹³ including both Singapore Airlines and Scoot, covered 109 passenger destinations in 36 countries and territories, including Singapore. Singapore Airlines served 74 destinations while Scoot served 58 destinations. The Group’s cargo network¹⁴ comprised 118 destinations in 38 countries and territories.



¹³ Number of destinations, and countries and territories include Singapore.

¹⁴ Number of destinations, and countries and territories include Singapore.

(G) SIA CARGO

SIA Cargo, which operated as a subsidiary of the Group prior to 1 April 2018, was reintegrated into Singapore Airlines on 1 April 2018 to improve efficiency and strengthen the support for the cargo business through greater synergy with Singapore Airlines. It also manages and markets the bellyhold capacity of all airlines within the Group, namely Singapore Airlines and Scoot. In February 2022, SIA Cargo firmed up an order for seven Airbus A350F freighters to replace the Boeing 747-400F fleet. The new fleet will use 40 per cent. less fuel for similar missions. It will also allow greater operational flexibility in terms of freighter deployment, and continue to effectively service key verticals such as aerospace, pharmaceuticals and fresh produce.

SIA Cargo's key service capabilities include the following areas:

- reliable service ensuring timely uplift and delivery for both small and large shipments, including guaranteed uplift services to meet customers' time-sensitive needs;
- expertise in transporting various specialised commodities such as perishable goods, race cars for Formula One, aerospace engines, odd-sized oil and gas equipment, as well as live animals around the world;
- an extensive global network, achieved with the Group's airlines, offering greater choice and flexibility for customers worldwide;
- continuous enhancement of information technology applications to improve staff productivity and enhance customer experience;
- professional and safe handling of time and temperature sensitive pharmaceutical shipments via THRUCOOL, a dedicated pharmaceutical service, which taps on its CEIV Pharma certified network and Coolport at its Singapore hub; and
- short transit times due to convenient flight connections at its hub in Singapore ensure shipments across the world in good time.

To meet the growing demand for cross-border e-commerce deliveries, SIA Cargo launched Parxl in 2021, offering an end-to-end e-commerce logistics platform that provides cross-border delivery solutions for retailers to book, manage, and track their shipments. Parxl has achieved continuous growth since its launch in 2021, and has extended its presence to e-retailers located in Australia, Hong Kong, South Korea, and the United States. SIA Cargo also boosted its cold chain cargo handling capabilities by adding Envirotainer's new temperature controlled Releye® RLP container to its suite of THRUCOOL offerings. These containers provide customers with live monitoring access, volume optimisation for cost efficiency, and enhance temperature stability. They also supported the safe and reliable transportation of pharmaceuticals during COVID-19.

In line with the Group's digital transformation, SIA Cargo has also been driving productivity and efficiency improvements through various initiatives. In December 2021, SIA Cargo partnered WiseTech Global, provider of the logistics solutions platform CargoWise, to provide a direct exchange of electronic bookings. Through API connections between CargoWise and SIA Cargo's systems, freight forwarders that use the CargoWise platform have direct access to SIA Cargo to book shipments and can modify bookings in real time. This solution has seen robust uptake and was progressively rolled out in Southeast Asia, North Asia, West Asia, Africa and the Southwest Pacific regions. In February 2022, SIA Cargo and cargo.one signed a global partnership to bring the former's quality cargo services to the latter's real time digital booking platform. Through this tie-up, freight forwarders are able to search, book, amend, and track SIA Cargo bookings in real time through cargo.one, and seamlessly collaborate with colleagues on bookings. SIA's Cargo Digital Checklist has been deployed across more than 60 stations as of March 2022. This digital tool

enables staff to record cargo handling discrepancies on the ground in real time, thereby improving productivity and strengthening focus on day-to-day ground issues. More recently, Singapore Airlines also launched a few initiatives, one of which is the Dangerous Goods (“**DG**”) Reconciliation System which helps to confirm the accuracy of DG shipment details on each of its flights so as to prevent any processing errors when it comes to DG deliveries. The Mishandling Case tool was also launched to better identify and record mishandled cargo cases to enhance the efficiency of managing such cases while reducing the time taken to resolve them.

In March 2022, the Group signed a crew and maintenance agreement with DHL Express to deploy five Boeing 777 freighters. These freighters are operated by Singapore Airlines pilots on routes to the US via points in North Asia and Singapore Airlines will also oversee the maintenance of these aircraft. Basing these freighters at Changi Airport will further reinforce Singapore’s position as a key air cargo and e-commerce logistics hub, contributing to its growth and development. The initial agreement is set for more than four years with the opportunity for an extension. As part of the agreement, the first aircraft was delivered in July 2022, with the second in October 2022. The remaining three aircrafts are planned for delivery throughout 2023.

(H) MAJOR SUBSIDIARIES

Singapore Airlines conducts its other principal business activities through the subsidiaries described below:

SIAEC GROUP

The following table sets out certain key financial information for SIAEC for the periods indicated:

	FY2023 (S\$ million)	FY2022 (S\$ million)	Change %
Total revenue	796.0	566.1	+40.6
Total expenditure	822.3	587.9	+39.9
Operating loss	(26.3)	(21.8)	-20.6
Profit after Taxation	66.4	67.6	-1.8

SIAEC is a major provider of aircraft maintenance, repair and overhaul (“**MRO**”) services in the Asia-Pacific region. SIAEC has a client base of more than 80 international airline carriers and aerospace equipment manufacturers. It provides line maintenance services at over 30 airports in seven countries, base maintenance, and engine and component services on some of the most advanced and widely used commercial aircraft. Its global MRO network comprises six hangars in Singapore and three hangars in Philippines. Apart from MRO services, SIAEC also offers a comprehensive and integrated suite of solutions under its fleet management services.

A key business strategy of SIAEC is to extend its ability to provide a broad range of MRO services to its customers through alliances and partnerships. As at 31 March 2023, SIAEC had 27 subsidiary, joint venture and associated companies, some of which were established in partnerships with well-established aerospace companies and other and strategic partners, which enabled it to increase the depth and breadth of SIAEC’s service offerings.

SIAEC was listed on the SGX-ST on 12 May 2000. As at 31 March 2023 its market capitalisation was S\$2.52 billion¹⁵ and Singapore Airlines held 77.5 per cent. of the total share capital of SIAEC.

¹⁵ Based on closing price of S\$2.25 as at 31 March 2023.

SIAEC established a new Engine Services Division in April 2021 to increase its focus on the aircraft engine services business. All engine-related services were consolidated and will be developed under the new division. This will lead to a stronger engine services eco-system, with enhanced value provided to SIAEC's original equipment manufacturer ("**OEM**") partners and customers.

In a strategic step towards growing its component MRO business, SIAEC acquired a 75 per cent. stake in Asia Pacific Aircraft Component Services (formerly known as SR Technics Malaysia) ("**APACS**"). APACS provides component repair, testing, and overhaul services, with a focus on the Airbus A320, A330, A340, and the Boeing 737 NG aircraft in the Asia-Pacific region and beyond. With the acquisition completed in May 2022, the new subsidiary broadens the SIAEC's existing scope of component repair and overhaul services.

To capitalise on the anticipated upturn in the component services market, SIAEC established the Component Services Division ("**CSD**"). All existing component repair and fleet management services, including inventory technical management services, were consolidated under the CSD from 1 April 2022. This allows SIAEC to focus on broadening its component repair capabilities, and provide a wider range of customised and flexible solutions to cater to the needs of airline customers and OEM partners.

In line with its focus on innovation and transformation, SIAEC also launched the Lean Academy in September 2021 to accelerate the adoption of Lean methodologies, driving improvement in work processes and creating greater value for SIAEC's customers, workforce, and the wider aviation community. SIAEC successfully introduced a series of impactful Lean initiatives that generated additional capacity via shorter turnaround times, and higher task accomplishment rates across its operations. Additional investments in digital technologies, applications, and workflow, as well as infrastructure, enabled SIAEC staff to improve productivity and operational efficiency, and take on higher value work.

FY2023 saw the strongest recovery of flight activities since the COVID-19 pandemic with border restrictions mostly lifted during the year. The number of flights handled by SIAEC's line maintenance unit in Singapore recovered to about 79 per cent. of pre-pandemic volume in March 2023. In FY2023, flight volume handled represented about 65 per cent. of pre-pandemic volume. Similar recovery trends were observed at SIAEC's overseas line maintenance stations. The strong recovery has led to higher demand for maintenance, repair and overhaul. Consequently, revenue growth was registered across all of SIAEC's business units and SIAEC Group's portfolio of companies as business volume increased.

To drive sustainable growth beyond the pandemic, SIAEC took steps to strengthen its core competencies through its Transformation initiatives, as well as pursue business expansion by building capabilities and expanding its geographical presence. Phase 2 of SIAEC's Transformation initiatives took place from FY2021 to FY2023. It focused on three main areas – to boost SIAEC's competitiveness, create value for its key stakeholders, and strengthen its ecosystem and improve its culture. SIAEC has been recognised for its capabilities – it was awarded the 2022 Asia-Pacific MRO of the Year, amongst others.

In addition to its current network of six hangars in Singapore and three hangars in the Philippines, SIAEC plans to expand its regional base maintenance network to Subang, Malaysia. A non-binding Memorandum of Understanding was signed in April 2022 for the potential lease of two hangars. These hangars will strengthen SIAEC's network of base maintenance facilities in the region, enabling it to cater to the varying needs of its customers.

SCOOT

The following table sets out certain key financial information for Scoot for the periods indicated:

	FY2023 (S\$ million)	FY2022 (S\$ million)	Change %
Total revenue	1,965.0	432.9	n.m.
Total expenditure	1,816.9	886.5	+105.0
Operating profit/(loss)	148.1	(453.6)	n.m.
Profit/(Loss) after Taxation	43.5	(477.5)	n.m.

Scoot was launched as a Singapore-based low-cost carrier (“**LCC**”) in 2012. As at 31 March 2023, Scoot’s network encompassed 58 passenger destinations.¹⁶

In March 2023, Scoot unveiled and progressively rolled out across the region its brand campaign titled “Because Travel Deserves Better” to raise awareness of its brand and leadership position in the region’s low-cost travel sector. As part of its commitment to improve customer experience, Scoot also added survey touchpoints to gather customer feedback more effectively to improve its service, and continued to invest in digital enhancements and automation to drive greater self-service capabilities and efficiencies. This included a rearchitected website that supports hyper-personalisation, as well as reinstating self-help check-in facilities and home-printed boarding passes.

Scoot regularly refreshes its fleet to enhance the flight experience. Scoot is expecting to take delivery of one Boeing 787-8 aircraft and two Embraer E190-E2 aircrafts in FY2024. It will also remove six Airbus A320neos from the operating fleet in FY2024 in preparation for lease returns in FY2024 and FY2025. This is a continuation of Scoot’s plans to replace its Airbus A320neo aircraft with the new generation Airbus A320neo aircraft, which is more efficient and environmentally friendly.

In February 2023, Scoot announced that it has signed a Letter of Intent with aircraft lessor, Azorra, to add nine new Embraer E190-E2 aircraft to support its network growth strategy. Scoot is expecting to take delivery of the first aircraft in 2024. The remaining eight aircraft will be progressively introduced by the end of 2025. Scoot will be the Singapore carrier to operate the Embraer E190-E2, which is the latest variant of Embraer’s popular line of regional jets. This investment underscores Scoot’s confidence in the growing demand for air travel in Asia and allows it to better match capacity to demand as it enhances its regional network. The addition of the Embraer E190-E2 aircraft will help to further strengthen Singapore’s position as a leading air hub.

Scoot’s drive to achieve leading industry standards was rewarded with a number of accolades. Scoot won the Best Long Haul Low-Cost Airline by Skytrax in 2023 and was recognised as a top Low-Cost Airline in the world by Skytrax in 2023. It also received the award for Best Low-Cost Air Cargo Carrier at the 2022 Asian Freight, Logistics and Supply Chain Awards by Asia Cargo News. In recognition of its healthy work culture and digital transformation efforts, Scoot was honoured with the Best Companies to Work for in Asia Award 2022 and Digital Transformation Award 2022 by HR Asia. Scoot also attained full IATA membership in 2022, certifying that it had met the highest standards for airline safety.

¹⁶ Number of passenger destinations include Singapore.

(I) RECENT DEVELOPMENTS

On 27 July 2023, the business updates of the Group for Q1 FY2024 (the “**Q1 Business Update**”) was announced on SGXNET. A copy of the Q1 Business Update is attached as the Appendix to this Information Memorandum. The unaudited financial information from the Q1 Business Update has not been audited, reviewed or subjected to any other procedures by the auditors of the Company. There can be no assurance that if such financial information had been audited or reviewed that there would be no change in the financial statements and that such changes would not be material or that such financial information has been prepared and presented on a basis consistent with the accounting policies normally adopted by the Company and applied in preparing the consolidated financial statements as at and for the years ended 31 March 2022 and 2023. Consequently, such financial information may not provide the same quality of information associated with financial information that has been subject to an audit or a full review. Potential investors must therefore exercise caution when using such data to evaluate the Company’s financial condition, results of operations and results. Please also refer to the section titled “Presentation of financial information and other data”.

SELECTED FINANCIAL INFORMATION

The following tables present selected financial information for the Group and the Company for the Financial Years ended and as at 31 March 2021, 2022 and 2023.

GROUP

Profit and Loss Statement:

	FY2023 (S\$ million)	FY2022 (S\$ million)	FY2021 (S\$ million)
Total revenue	17,774.8	7,614.8	3,815.9
Total expenditure	15,082.7	8,224.5	6,328.4
Operating profit/(loss)	2,692.1	(609.7)	(2,512.5)
Profit/(Loss) before Taxation	2,636.8	(1,090.0)	(4,957.2)
Profit/(Loss) attributable to the owners of the Company	2,156.8	(962.0)	(4,270.7)

Balance Sheet:

	As at 31 March 2023 (S\$ million)	As at 31 March 2022 (S\$ million)	As at 31 March 2021 (S\$ million)
Cash and bank balances	16,327.6	13,762.7	7,783.0
Total assets	49,101.2	48,671.0	37,581.3
Total liabilities	28,851.4	25,870.6	21,303.2
Equity attributable to owners of the Company	19,858.3	22,411.9	15,905.9

Cash Flow Statement:

	FY2023 (S\$ million)	FY2022 (S\$ million)	FY2021 (S\$ million)
Profit/(Loss) before Taxation	2,636.8	(1,090.0)	(4,957.2)
Net cash provided by/(used in) operating activities	9,130.1	3,041.5	(3,292.4)
Net cash used in investing activities	(134.0)	(2,246.6)	(1,314.3)
Net cash (used in)/provided by financing activities	(6,213.4)	5,159.7	9,737.0
Net cash inflow	2,782.7	5,954.6	5,130.3
Cash and cash equivalents at the beginning of the year	13,762.7	7,783.0	2,685.3
Effect of exchange rate changes	(217.8)	25.1	(32.6)
Cash and cash equivalents at the end of the year	16,327.6	13,762.7	7,783.0

COMPANY**Profit and Loss Statement:**

	FY2023 (S\$ million)	FY2022 (S\$ million)	FY2021 (S\$ million)
Revenue	15,590.1	7,068.1	3,478.0
Expenditure	12,988.9	7,180.0	5,399.0
Operating profit/(loss)	2,601.2	(111.9)	(1,921.0)
Profit/(Loss) before Taxation	2,724.9	(377.4)	(3,777.7)
Profit/(Loss) after Taxation	2,218.9	(314.0)	(3,183.0)

Balance Sheet:

	As at 31 March 2023 (S\$ million)	As at 31 March 2022 (S\$ million)	As at 31 March 2021 (S\$ million)
Cash and bank balances	15,975.7	13,557.9	7,512.1
Total assets	49,099.3	48,169.7	37,021.8
Total liabilities	27,989.6	24,674.5	20,509.9
Equity attributable to owners of the Company	21,109.7	23,495.2	16,511.9

FINANCIAL REVIEW

The following sets out a financial review for each of FY2023, FY2022 and FY2021.

FY2023 COMPARED WITH FY2022

Company

	FY2023 (S\$ million)	FY2022 (S\$ million)	Change %
Total revenue	15,590.1	7,068.1	+120.6
Total expenditure	12,988.9	7,180.0	+80.9
Operating profit/(loss)	2,601.2	(111.9)	n.m.
Non-operating items	123.7	(265.5)	n.m.
Profit/(Loss) before taxation	2,724.9	(377.4)	n.m.
Taxation	(506.0)	63.4	n.m.
Profit/(Loss) after taxation	2,218.9	(314.0)	n.m.

Company Revenue

The Company's total revenue increased 120.6 per cent. from S\$7,068 million to S\$15,590 million in FY2023, predominantly from the strong pent-up demand for air travel following the lifting of travel restrictions and easing of COVID-19 testing protocols in key global markets. This was partially offset by weaker cargo demand due to macroeconomic headwinds and high inventory levels in key importing countries.

Company Expenditure

The Company's expenditure increased 80.9 per cent. from S\$7,180 million to S\$12,989 million in FY2023.

Fuel expenditure before hedging increased by 135.6 per cent. from S\$2,236 million to S\$5,267 million largely due to a 50.3 per cent. increase in weighted average fuel price in FY2023, a 53.8 per cent. increase in volume uplifted, and a stronger US dollar as compared against the Singapore dollar.

Staff costs increased S\$1,273 million (+117.2 per cent.) largely due to higher pay and allowances, provision for profit sharing bonus, and higher crew allowances from the increase in flying hours.

With the progressive reinstatement of passenger flights, most ex-fuel variable costs increased to support the network expansion, including sales costs (+S\$521 million, n.m.), in-flight meals and other passenger costs (+S\$407 million, n.m.), handling charges (+S\$313 million, +42.7 per cent.) and airport and overflying charges (+S\$146 million, +35.3 per cent.).

Company Operating Profit

The operating profit for the Company in FY2023 was S\$2,601 million, an increase of S\$2,713 million from the previous financial year.

Group

	FY2023 (S\$ million)	FY2022 (S\$ million)	Change %
Total revenue	17,774.8	7,614.8	+133.4
Total expenditure	15,082.7	8,224.5	+83.4
Operating profit/(loss)	2,692.1	(609.7)	n.m.
Non-operating items	(55.3)	(480.3)	-88.5
Profit/(Loss) before taxation	2,636.8	(1,090.0)	n.m.
Taxation	(473.5)	141.9	n.m.
Profit/(Loss) after taxation	2,163.3	(948.1)	n.m.
Profit/(Loss) attributable to owners of the Company	2,156.8	(962.0)	n.m.

Group Earnings

Group operating profit for FY2023 increased by S\$3,302 million against FY2022 to reach S\$2,692 million. The turnaround from last year's operating loss was largely attributable to the recovery in passenger business which saw passenger flown revenue rebound strongly despite macroeconomic headwinds dampening cargo demand. Singapore Airlines earned an operating profit of S\$2,601 million in FY2023, a S\$2,713 million increase compared to FY2022. Scoot achieved a record operating profit of S\$148 million, a reversal from its S\$454 million loss in FY2022.

The Group achieved a record net profit of \$2,157 million, an increase of S\$3,119 million from the S\$962 million net loss in FY2022. This was mainly driven by the better operating performance (+S\$3,302 million), lower net finance charges (+S\$338 million), a write-back of non-cash impairment charges against impairment last year (+S\$104 million) and lower share of losses of associated companies (+S\$83 million). These were partially offset by a tax expense against tax credit last year (-S\$615 million) following the Group's return to profitability, as well as a loss against surplus on disposal of aircraft, spares and spare engines (-S\$93 million).

Group revenue increased by S\$10,160 million (+133.4 per cent.) year-on-year to a record S\$17,775 million. Demand for air travel surged after Singapore fully re-opened its borders to vaccinated travellers in April 2022, and as restrictions on international air travel eased globally over the course of the year. To meet the strong pent-up demand, the Group ramped up passenger capacity (measured in available seat-kilometres) by 94.0 per cent., bringing operating capacity to 79.2 per cent. of pre-Covid levels by the end of March 2023. Robust demand saw passenger traffic (measured in revenue-passenger kilometres) jump 449.9 per cent. to deliver passenger flown revenue of S\$13,366 million, more than four times higher than last year.

On the other hand, cargo flown revenue moderated against the record high in FY2022 to S\$3,604 million in FY2023, down S\$735 million (-17.0 per cent.) year-on-year, as the demand for air freight declined, and as supply chain disruptions brought about by the COVID-19 pandemic subsided. Macroeconomic headwinds dampened consumer demand, while high inventory levels led to a slowdown of new orders. Cargo yields also fell year-on-year as industry bellyhold capacity increased with the progressive restoration of passenger flights. Nonetheless, cargo revenue remained 82.9 per cent. above the pre-COVID-19 level registered in calendar year 2019.

Group expenditure increased S\$6,858 million (+83.4 per cent.) year-on-year to S\$15,083 million. Fuel cost after hedging rose S\$3,020 million (+138.0 per cent.) to S\$5,209 million, largely from a 49.6 per cent. increase in average jet fuel prices (+S\$1,942 million) as demand for oil recovered, while sanctions on Russian oil arising from the Russian-Ukraine war affected oil supply. The increase was further contributed by higher fuel volume uplifted due to higher capacity deployed (+S\$1,495 million) and a stronger US Dollar against the Singapore Dollar (+S\$113 million), partially offset by higher fuel hedging gains (-S\$530 million).

Excluding the absence of last year's mark-to-market gains on fuel derivatives, non-fuel expenditure increased S\$3,761 million (+61.5 per cent.), mainly attributable to the expansion in operations, increase in bookings, easing of manpower measures and lower government grants received.

Financial Position

Equity attributable to owners of the Company decreased by S\$2,554 million (-11.4 per cent.) to S\$19,858 million as at 31 March 2023, largely due to the redemption of MCBs during the year (-S\$3,496 million), lower fair value gains on cash flow hedges (-S\$569 million), recognition of accreted interest on redemption of MCBs (-S\$364 million) and payment of interim dividends (-S\$297 million). These were partially offset by a net profit for the financial year (+S\$2,157 million). The decline in fair value gains on cash flow hedges arose primarily from outstanding fuel hedges, driven by lower average forward fuel prices and maturity of contracts during the financial year.

Total Group assets increased S\$430 million (+0.9 per cent.) to S\$49,101 million. The increase was mainly due to an increase in cash and bank balances (+S\$2,565 million) and right-of-use ("ROU") assets (+S\$564 million), partially offset by lower derivative assets (-S\$1,742 million) and property, plant and equipment (-S\$738 million). Cash and bank balances increased mainly due to net cash generated from operations (+S\$9,130 million) and proceeds from sale and leaseback transactions (+S\$1,210 million), partially offset by the redemption of MCBs during the financial year (-S\$3,860 million), capital expenditure (-S\$1,602 million), net repayment of borrowings (-S\$982 million), lease payments (-S\$740 million), interest payments (-S\$333 million) and interim dividend payment (-S\$297 million).

ROU assets increased as the Group entered into sale and leaseback arrangements for 14 aircraft during the year, namely six Boeing 737-8s, four Boeing 787-8s, two Boeing 787-9s and two Airbus A320neos. This was partially offset by depreciation for the financial year. Derivative assets fell mainly from a decline in fair value gains on fuel hedging contracts due to lower average forward prices for Brent and maturity of contracts during the financial year, partially offset by an increase in fair value gains on interest rate swap contracts. Property, plant and equipment declined largely due to depreciation and sale and leaseback arrangements on the 14 aircraft mentioned above, partially offset by pre-delivery payments for aircraft on order.

Total Group liabilities increased by S\$2,981 million (+11.5 per cent.) to S\$28,851 million as at 31 March 2023, primarily due to an increase in sales in advance of carriage (+S\$2,524 million), trade and other creditors (+S\$1,307 million), lease liabilities (+S\$495 million) and deferred taxes (+S\$366 million). These were partially offset by lower derivative liabilities (-S\$928 million) and borrowings (-S\$851 million).

The Group's net liquid assets¹⁷ was S\$1,392 million as at 31 March 2023, a swing of S\$2,918 million from the prior year, primarily attributable to higher cash and bank balances (+S\$2,565 million) and a decrease in loans (+S\$848 million), partially offset by higher lease liabilities (-S\$495 million). Total debt to equity ratio increased from 0.70 times to 0.77 times as at 31 March 2023.

FY2022 COMPARED WITH FY2021

Company

	FY2022 (S\$ million)	FY2021 (S\$ million)	Change %
Total revenue	7,068.1	3,478.0	+103.2
Total expenditure	7,180.0	5,399.0	+33.0
Operating loss	(111.9)	(1,921.0)	-94.2
Non-operating items	(265.5)	(1,856.7)	-85.7
Loss before taxation	(377.4)	(3,777.7)	-90.0
Taxation	63.4	594.7	-89.3
Loss after taxation	(314.0)	(3,183.0)	-90.1

Company Revenue

The Company's revenue jumped 103.2 per cent. from S\$3,478 million to S\$7,068 million, predominantly from the recovery in international air travel and strong cargo demand amid capacity constraints for both sea and air freight which drove cargo and mail revenue to a record high.

Company Expenditure

The Company's expenditure climbed 33.0 per cent. from S\$5,399 million to S\$7,180 million in FY2022.

Fuel expenditure before hedging increased by S\$1,580 million from S\$656 million to S\$2,236 million, largely due to an 80.0 per cent. increase in weighted average fuel price in FY2022 and a 91.7 per cent. increase in volume uplifted, which is offset by a weaker US dollar as compared against the Singapore dollar.

Fuel hedging gain of S\$196 million was recorded in FY2022, in comparison to fuel hedging loss of S\$311 million. Further gains on fuel hedging ineffectiveness of S\$61 million were recognised for FY2022, an improvement of S\$196 million against the previous year's loss of S\$135 million, as fuel prices trended up throughout FY2022. In addition, the Company's fuel hedge book was recalibrated closer to a neutral posture, through using sell swaps to close out some of the prior hedge positions, hence reducing the fuel derivatives' mark-to-market volatility.

Staff costs were S\$214 million (+24.5 per cent.) higher year-on-year, largely attributable to higher crew allowances from the increase in flight activities, lower government grants and easing of manpower measures.

¹⁷ Net liquid assets is defined as the sum of cash and bank balances and short-term investments, net of finance lease commitments, loans and bonds issued.

Non-fuel variable costs rose in line with the expansion in operations by the Company. The main variable cost items included handling charges (+S\$267 million, +57.5 per cent.), sales costs (+S\$226 million, n.m.), airport and overflying charges (+S\$209 million, +101.4 per cent.), and in-flight meals and other passenger costs (+S\$103 million, n.m.).

Company Operating Loss

The Company's operating loss decreased by 94.2 per cent. from S\$1,921 million in FY2021 to S\$112 million in FY2022.

Group

	FY2022 (S\$ million)	FY2021 (S\$ million)	Change %
Total revenue	7,614.8	3,815.9	+99.6
Total expenditure	8,224.5	6,328.4	+30.0
Operating loss	(609.7)	(2,512.5)	-75.7
Non-operating items	(480.3)	(2,444.7)	-80.4
Loss before taxation	(1,090.0)	(4,957.2)	-78.0
Taxation	141.9	673.8	-78.9
Loss after taxation	(948.1)	(4,283.4)	-77.9
Loss attributable to owners of the Company	(962.0)	(4,270.7)	-77.5

Group Earnings

The Group's operating loss narrowed by S\$1,903 million from S\$2,513 million in FY2021 to S\$610 million in FY2022, predominantly attributable to a recovery in passenger flown revenue and sustained strong cargo demand amid continued global capacity constraints for both sea freight and air freight.

The Group's revenue rose by S\$3,799 million (+99.6 per cent.) year-on-year to S\$7,615 million. The launch of the Vaccinated Travel Lanes scheme and its subsequent expansion facilitated quarantine-free mass travel for the first time since the COVID-19 pandemic began, boosting demand for air travel to and through Singapore. The Group ramped up passenger capacity (measured in available seat-kilometres) in a calibrated manner, bringing the Group's operating capacity to 51 per cent. of pre-COVID-19 levels by the end of March 2022. As a result, passenger flown revenue grew by S\$2,121 million to S\$2,806 million, on the back of a 614.9 per cent. growth in traffic (revenue-passenger kilometres).

Cargo flown revenue continued to improve, growing S\$1,630 million (+60.2 per cent.) year-on-year to reach a record S\$4,339 million as the ongoing industry capacity crunch kept cargo demand strong and yields elevated throughout FY2022.

The Group's expenditure increased S\$1,896 million (+30.0 per cent.) year-on-year to S\$8,225 million.

Fuel cost after hedging rose by S\$1,173 million (+115.5 per cent.) to S\$2,189 million, largely from an 80.2 per cent. jump in average jet fuel prices (+S\$1,080 million), increase in volume uplifted (+S\$660 million), partially offset by fuel hedging gains against losses last year (-S\$553 million) and weaker US Dollar against the Singapore Dollar (-S\$14 million).

Non-fuel costs increased S\$1,015 million (+19.9 per cent.), mainly attributable to the expansion in operations, increase in bookings, easing of manpower measures and lower government grants received.

Mark-to-market gains of S\$78 million (+S\$292 million) were recognised from revaluation gains on fuel derivatives as fuel prices rose. No fuel hedges were deemed ineffective during FY2022.

The Group recorded an operating loss of S\$610 million for FY2022, an improvement of S\$1,903 million from last year. The improvement was largely attributable to the narrowing of operating losses by the Group airlines as the aviation industry gradually recovers, albeit still on a reduced network compared to pre-COVID-19.

The Group's net loss for the year narrowed S\$3,309 million to S\$962 million. This was mainly driven by the better operating performance (+S\$1,903 million) as well as lower non-cash impairment charges (+S\$1,894 million), partially offset by lower tax credit (+S\$532 million). The impairment charges for the year amounted to S\$59 million, comprising:

- an impairment charge of S\$51 million recorded on two Boeing 737-800 NG aircraft deemed surplus to fleet requirements and further write-down of three previously impaired Boeing 777-300ER aircraft, following reviews of the network requirements and changes in aircraft trade-in plans; and
- SIAEC's further write-down of previously impaired base maintenance assets (S\$8 million) due to increased difficulty in selling the assets held for sale.

Financial Position

Equity attributable to owners of the Company increased by S\$6,506 million (+40.9 per cent.) to S\$22,412 million as at 31 March 2022, largely due to issuance of mandatory convertible bonds ("**MCBs**") (+S\$6,195 million) and fair value gains on cash flow hedges (+S\$1,255 million), partially offset by net loss for the financial year (-S\$962 million). The fair value gains on cash flow hedges arose primarily from outstanding fuel hedges, driven by higher average forward fuel prices.

Total Group assets increased S\$11,090 million (+29.5 per cent.) to S\$48,671 million. The increase was mainly due to an increase in cash and bank balances (+S\$5,980 million), derivative assets (+S\$2,608 million), property, plant and equipment (+S\$1,087 million) and right-of-use assets (+S\$894 million).

Cash and bank balances increased mainly due to net proceeds from issuance of MCBs during the financial year (+S\$6,195 million), net cash generated from operations (+S\$3,042 million), net proceeds from issuance of bonds (+S\$811 million), as well as proceeds from sale-and-leaseback agreements (+S\$761 million). These were partially offset by capital expenditure (-S\$3,049 million), net repayment of borrowings (-S\$690 million), lease payments (-S\$677 million) and repayment of medium-term notes (-S\$200 million).

The increase in derivative assets was mainly from increase in fair value gains on fuel hedging contracts due to higher average forward fuel prices.

Property, plant and equipment rose largely due to asset acquisitions with the delivery of aircraft during the year as well as pre-delivery payments for aircraft on order, partially offset by depreciation and sale-and-leaseback arrangements on four aircraft.

During the financial year, the Group entered into sale-and-leaseback arrangements for three Boeing 787-10 and one Airbus A350-900 aircraft, as well as new leases for nine Airbus A321neo aircraft, contributing to the increase in ROU assets. This was partially offset by depreciation and impairment of surplus aircraft.

Total Group liabilities increased by S\$4,567 million (+21.4 per cent.) to S\$25,871 million as at 31 March 2022, primarily due to an increase in sales in advance of carriage (+S\$1,540 million), derivative liabilities (+S\$1,235 million), lease liabilities (+S\$818 million) and borrowings (+S\$540 million).

The Group's net debt¹⁸ was S\$1,526 million as at 31 March 2022, a decrease of S\$4,756 million from the prior year, primarily attributable to higher cash and bank balances (-S\$5,980 million), partially offset by higher lease liabilities (+S\$818 million) and bonds payable (+S\$625 million). Total debt to equity ratio decreased from 0.90 times to 0.70 times as at 31 March 2022.

¹⁸ Net debt is defined as lease liabilities, loans and bonds issued, net of the sum of cash and bank balances and short-term investments.

BOARD OF DIRECTORS AND EMPLOYEES OF SINGAPORE AIRLINES

BOARD MEMBERS

The Board of Singapore Airlines Limited oversees the business performance and affairs of the Company and provides general guidance to Management. The Board comprises 10 members and meets at least four times a year. It holds separate Strategy Sessions to assist the Management in developing its plans and strategies for the future. The Board has established six Board Committees to assist it in the discharge of its functions. These Board Committees are: the Board Executive Committee, the Board Audit Committee, the Board Compensation and Industrial Relations Committee (the “**BCIRC**”), the Board Nominating Committee, the Board Safety and Risk Committee and the Customer Experience, Technology and Sustainability Committee. Each Board Committee has its own written Charter. The address of each of the Directors of the Company, in their capacity as Directors of the Company, is Airline House, 25 Airline Road, Singapore 819829.

Peter Seah Lim Huat

Chairman

Mr Seah is the Chairman of DBS Bank Ltd, DBS Group Holdings Ltd and LaSalle College of the Arts Limited. A banker for more than 30 years, Mr Seah was with the former Overseas Union Bank between 1977 and 2001, retiring as Vice-Chairman and Chief Executive Officer. Prior to that, he was with Citibank N.A. Between December 2001 and December 2004, Mr Seah served as President and Chief Executive Officer of Singapore Technologies Pte Ltd. Mr Seah was awarded the *Order of Nila Utama* in 2021, the *Distinguished Service Order* in 2012, and the *Public Service Star (Bintang Bakti Masyarakat)* in 1999. Mr Seah has been a Director of Singapore Airlines Limited since 1 September 2015 and Chairman since 1 January 2017.

Goh Choon Phong

Director and CEO

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

Gautam Banerjee

Director

Mr Banerjee is Senior Managing Director of Blackstone Group and the Chairman of Blackstone Singapore. He was with professional services firm PricewaterhouseCoopers (“**PwC**”) Singapore for over 30 years, including as its Executive Chairman for Singapore, and in various leadership positions within the firm in India and the Asia-Pacific region. Mr Banerjee retired from PwC Singapore on 31 December 2012. Apart from his executive role in Blackstone, he is a Board Member of Singapore Telecommunications Limited and GIC Private Limited. He was the Chairman of Singapore Centre for Social Enterprise Ltd and the Listings Advisory Committee of the Singapore Exchange, and served on the Boards of The Indian Hotels Company Limited, Piramal Enterprises Limited, India, Singapore Business Federation Council, Corporate Governance Council of the Monetary Authority of Singapore, Companies Act Reform Steering Committee, and the Economic Strategies Committee chaired by the Finance Minister of Singapore from 2009 to 2010. Mr Banerjee was a Nominated Member of Parliament in Singapore between 2007 and 2009. In 2014, Mr Banerjee was awarded the *Public Service Medal* by the Singapore Government and an *Honorary Doctor of Laws* by the University of Warwick, England. Mr Banerjee has been a Director of Singapore Airlines Limited since 1 January 2013.

Simon Cheong Sae Peng

Director

Mr Cheong is the Founder and Chairman of SC Global Developments Pte Ltd, a leading luxury high-end residential developer in Singapore. He has more than 41 years of experience in real estate, banking, and international finance. Mr Cheong established SC Global in 1996 as a real estate and hotel advisory and direct investment group, specialising in structuring large and complex transactions worldwide. He is also the Chairman and majority shareholder of AVJennings Limited. He was with Citibank (Singapore) as Head of Real Estate Finance for Singapore and with Credit Suisse First Boston as Regional Real Estate Head for Asia. Mr Cheong previously served as a Board Member of Republic Polytechnic and was also a Council Member of the Singapore Business Federation. He served two terms as President of the Real Estate Developers' Association of Singapore. Mr Cheong has been a Director of Singapore Airlines Limited since 1 June 2017.

David John Gledhill

Director

Mr Gledhill was the Group Chief Information Officer as well as Head of Group Technology and Operations at DBS Bank Ltd, before his retirement from the bank in August 2019 after 11 years of service. Prior to joining DBS, he was with JP Morgan for more than 20 years, holding senior regional positions in Technology and Operations in Singapore, Tokyo, and London. Before joining JP Morgan, Mr Gledhill was with British Telecom in the UK, holding various roles in software and hardware design. Mr Gledhill is a Board Member of the National University of Singapore Institute of Systems Science and Quark Consulting Ltd. He was a Director of Singapore Clearing House Pte Ltd and served as Advisor to a number of organisations in Singapore and overseas. In 2017, Mr Gledhill was the recipient of the *Massachusetts Institute of Technology Sloan CIO Leadership Award*, becoming the first CIO from an Asian company to have won. Mr Gledhill has been a Director of Singapore Airlines Limited since 1 September 2018.

Goh Swee Chen

Director

Ms Goh is the former Chairperson of the Shell group of companies in Singapore. She retired from Shell in January 2019 after 16 years of service. She held senior roles in Shell since 2003 and had worked in Singapore, China and the Netherlands. Prior to joining Shell, Ms Goh was with Procter & Gamble for 14 years and was assigned to Malaysia, Japan, and Singapore, and before that with IBM Australia and USA. A Justice of the Peace, Ms Goh is the Chairperson of the Institute for Human Resource Professionals, the National Arts Council, Nanyang Technological University, and President of Global Compact Network Singapore. She was previously a board member of listed companies, CapitaLand Limited (now known as CapitaLand Group Pte. Ltd.) and CapitaLand Investment Limited. Ms Goh was conferred the *Chicago Booth Distinguished Alumni Award* in 2018 from the University of Chicago Booth School of Business. Ms Goh has been a Director of Singapore Airlines Limited since 1 January 2019.

Dominic Ho Chiu Fai

Director

Mr Ho is the immediate past Chairman of DBS Bank (China) Limited. He began his career as an auditor with KPMG LLP in 1975 in the US city of Houston, covering a wide range of industries. He retired in 2007 as Co-Chairman of KPMG LLP, China, and Hong Kong. During his career with KPMG LLP, Mr Ho was regarded as its China business specialist. He advised on China's offshore oil industry, participated in the formation of China's taxation system, was involved in initial public offerings of Chinese companies, and assisted foreign companies with their investments in China. Mr Ho is currently a Director of DBS Bank (Hong Kong) Limited and Hang Lung Properties Limited. He is also a past Member of the Corruption Prevention Advisory Committee of Hong Kong's Independent Commission Against Corruption, and a past Member of Hong Kong's Insurance Advisory Committee. Mr Ho has been a Director of Singapore Airlines Limited since 1 May 2017.

Lee Kim Shin

Director

Mr Lee is a lawyer and a Counsel of Allen & Gledhill LLP, after having retired as one of its Partners. He has been with Allen & Gledhill for more than 30 years, with six years spent as its Managing Partner. Mr Lee was appointed Senior Counsel in January 2015. He is a Director of Epimetheus Limited, Singapore Power Limited, Singapore Institute of Legal Education, and Goh Foundation Limited, as well as a Member of the Governing Board of Duke-NUS Medical School, Singapore. Mr Lee has been a Director of Singapore Airlines Limited since 1 September 2016.

Jeanette Wong Kai Yuan

Director

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

Council, and a Board Director of UBS Group AG, Prudential Insurance plc, PSA International Pte Ltd and JTC Corporation. Ms Wong has been a Director of Singapore Airlines Limited since 1 June 2021.

Yeoh Oon Jin

Director

Mr Yeoh was the Executive Chairman of PwC Singapore before his retirement in June 2021, following a 38-year career with PwC. He was a key member of the firm's Leadership Team for more than 15 years, and has led the firm through key growth milestones. Mr Yeoh has also chaired several of the firm's regional joint ventures such as PwC SEA Consulting and PwC SEA Corporate Finance. He was a member of the PwC Executive Board for the CaTSH firm, which comprises the PwC firms in Singapore, China, Hong Kong, and Taiwan, and was also a member of the PwC Strategy Council, which comprises leaders from the largest 21 firms in the PwC global network. Mr Yeoh serves as the Chairman of Singapore Land Authority, and is currently the Vice Chairman of Singapore Business Federation and the Singapore Institute of Directors. He is also a member of the Board of Singapore Exchange Limited, and the Corporate Governance Advisory Committee, which was set up by the Monetary Authority of Singapore. Mr Yeoh was previously a board member of Singapore Press Holdings Limited, JTC Corporation, Accounting & Corporate Regulatory Authority, National Arts Council, and council member of Singapore Institute of International Affairs. Mr Yeoh has been a Director of Singapore Airlines Limited since 1 August 2021.

INCENTIVE PLANS

As at 31 March 2023, the Group had a global staff strength of 24,145, including the staff strength of Singapore Airlines of 15,504.

The Company has put in place long term incentive plans, which are share-based remuneration programmes as part of its plan to motivate and retain senior executives and management responsible for planning and executing the Company's strategic objectives and to align their interests with the interests of shareholders. The Share Incentive Plans comprise three components: the SIA Performance Share Plan 2014 ("**PSP 2014**"), the SIA Restricted Share Plan 2014 ("**RSP 2014**") and the Strategic Share Award ("**SSA**") under the RSP 2014, with the objective of rewarding, motivating and retaining a select group of key senior management staff throughout the COVID-19 recovery period.

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

The PSP 2014 is a share-based incentive scheme established with the objective of rewarding, motivating, and retaining a select group of key senior management staff who shoulder the responsibility for the Group's performance and who are able to drive the growth of the Group through innovation, creativity and superior performance. Awards under the PSP 2014 are performance-based, with stretched targets. Depending on the achievement of pre-determined performance targets over a three-year period, the final award under the PSP 2014 could range between 0 per cent. and 200 per cent. of the initial award granted. The final award will cliff vest after completion of the performance period. The number of outstanding shares granted under the PSP 2014 was 1,989,409 as at 31 March 2023.

An initial award of FY2023 PSP 2014 was granted during the financial year under consideration in July 2022. Due to the recovery of Singapore Airlines' share price relative to peer airlines, the Group has attained an achievement factor which is reflective of partially meeting the pre-determined target performance level for the FY2021 PSP 2014 awards granted based on the performance period from FY2021 to FY2023 and shares will cliff vest accordingly.

The RSP 2014 is targeted at a broader base of selected employees and enhances the Company's ability to recruit and retain talented employees, as well as to reward for Group, Company and individual performance. To retain these employees, an extended vesting period of a further two years is imposed beyond the initial one-year performance period. Depending on the achievement of pre-determined performance targets over a one-year period, the final award under the RSP 2014 could range between 0 per cent. and 150 per cent. of the initial award granted. The number of outstanding shares granted under the RSP 2014 was 3,648,734 as at 31 March 2023.

An initial award of FY2023 RSP 2014 was granted during the financial year under consideration in July 2022. Due to the stellar performance of Singapore Airlines for FY2023, the Group has attained an achievement factor which is reflective of exceeding the pre-determined target performance level for the FY2023 RSP 2014 awards granted based on the performance period of FY2023 only and shares will commence vesting accordingly. Previous final awards of RSP continued to vest during the financial year.

Under the 3rd SSA, an initial award was granted in July 2022 in the form of rights to shares taking into account the senior management's efforts with regards to COVID-19 recovery and mitigation as assessed by the Board Compensation and Industrial Relations Committee. The 4th SSA supports the three financial year strategic plan for COVID-19 recovery and a return to profitability, and will be granted in July 2023.

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

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

USE OF PROCEEDS

The Programme will provide the Company the flexibility to procure funding at competitive rates as and when the opportunity and/or the need arises. The net proceeds of each issue of Notes under the Programme will be used for general corporate or working capital purposes, or such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

INTRODUCTION

Investors in the Notes may hold the Notes through any of Euroclear or Clearstream or through CDP. Initial settlement and all secondary trades will settle as described below.

(1) CLEARANCE AND SETTLEMENT UNDER EUROCLEAR AND/OR CLEARSTREAM

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream participants are financial institutions from around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a direct or indirect custodial relationship with a Euroclear or Clearstream participant.

A participant's overall contractual relations with either Euroclear or Clearstream are governed by the respective rules and operating procedures of Euroclear or Clearstream and any applicable laws. Both Euroclear and Clearstream act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the relevant Issuing and Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

(2) CLEARANCE AND SETTLEMENT UNDER THE DEPOSITORY SYSTEM

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a global note or a global certificate for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through securities sub-accounts held with certain corporate depositors (**“Depository Agents”**). Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Company, the Singapore Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Conditions to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system will be that depositary or common depositary or sub-custodian, as the case may be.

In relation to any Tranche of Notes represented by one or more Global Certificates, references in the Terms and Conditions of the Notes to “Noteholder” are references to the person in whose name the relevant Global Certificate is for the time being registered in the Register which in the case of any Global Certificate which is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system, will be that depositary or common depositary or a nominee for that depositary or common depositary.

Each of the persons shown in the records of Euroclear and/or Clearstream and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Certificate (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Company to the holder of such Global Note or Global Certificate and in relation to all other rights arising under such Global Note or Global Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Certificate, Accountholders shall have no claim directly against the Company in respect of payments due under the Notes and such obligations of the Company will be discharged by payment to the holder of such Global Note or Global Certificate.

Transfers of Interests in Global Notes and Global Certificates

Transfers of interests in Global Notes and Global Certificates within Euroclear, Clearstream, or any other relevant clearing system will be in accordance with their respective rules and operating procedures. None of the Company, the Trustee, the Registrar, the Dealers or the Agents will have any responsibility or liability for any aspect of the records of any Euroclear, Clearstream or any other relevant clearing system or any of their respective participants relating to payments made on account of beneficial ownership interests in a Global Note or Global Certificate or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any other relevant clearing system or the records of their respective participants relating to such beneficial ownership interests.

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Notes. Consequently, the ability to transfer interests in a Global Certificate to such persons will be limited. Because clearing systems only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Certificate to pledge such interest to persons or entities which do not participate in the relevant clearing systems, or otherwise take actions in respect of such interest, may be affected by the lack of an Certificate representing such interest.

Although Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Certificates among participants and accountholders of Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Company, the Trustee, the Registrar, the Dealers or the Agents will have any responsibility for the performance by Euroclear or Clearstream or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their respective operations.

While a Global Certificate is lodged with Euroclear, Clearstream, or any relevant clearing system, Certificates for the relevant Series of Notes will not be eligible for clearing and settlement through such clearing systems.

Conditions Applicable to Global Notes

Each Global Note and Global Certificate will contain provisions which modify the Conditions as they apply to the Global Note or Global Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Certificate which, according to the Conditions, require presentation and/or surrender of a Note or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Company in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Company shall procure that the payment is noted in a schedule thereto.

Payment Record Date: Each payment in respect of a Global Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each clearing system for which the Global Certificate is being held is open for business.

Exercise of put option: In order to exercise the option contained in Condition 7(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Issuing and Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 7(d) (*Redemption at the option of the Company*) in relation to some only of the Notes where such Notes are held with Euroclear and/or Clearstream, the Permanent Global Note or Global Certificate may be redeemed in part in the principal amount specified by the Company in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream (to be reflected in the records of Euroclear and Clearstream as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 13 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Certificate and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or Global Certificate is, held (i) on behalf of Euroclear or Clearstream, or any other clearing system (except as provided in (ii) below)), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate, or (ii) by CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in the list of Noteholders provided by CDP or may be given by way of publication in a leading English language daily newspaper of general circulation in Singapore. Any such notice will be deemed to have been given on the third day after the day on which the said notice was given to the relevant clearing system or on the date of first publication, as the case may be.

TAXATION

The statements below are general in nature and are based on certain aspects of tax laws in Singapore and administrative guidelines and circulars issued by MAS and the Inland Revenue Authority of Singapore in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Company, the Arrangers nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of the Notes.

Singapore Taxation

1. INTEREST AND OTHER PAYMENTS

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (i) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (a) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (b) deductible against any income accruing in or derived from Singapore; or
- (ii) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17%. The applicable rate for non-resident individuals is 22% prior to the year of assessment 2024, and 24% thereafter. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (i) interest from debt securities derived on or after 1 January 2004;
- (ii) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (iii) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

It was announced in the Singapore Budget Statement 2023 and the MAS Circular FDD Cir 08/2023 entitled “Qualifying Debt Securities (**“QDS”**) and Primary Dealer Schemes – Extension and Refinements” issued by the MAS on 31 May 2023 (**“MAS Circular”**) that the QDS scheme is extended until 31 December 2028 and the requirement that QDS have to be substantially arranged in Singapore is rationalised, such that the requirement that QDS have to be substantially arranged by a Financial Sector Incentive (Bond Market) (**“FSI-BM”**) Company, a Financial Sector Incentive (Standard Tier) Company or a Financial Sector Incentive (Capital Market) Company (as defined in the ITA) is broadened to include the following entities holding the relevant licences (**“Specified Licensed Entities”**) for all debt securities that are issued on or after 15 February 2023:

- (i) any bank or merchant bank licensed under the Banking Act 1970 of Singapore;
- (ii) any finance company licensed under the Finance Companies Act 1967 of Singapore; or
- (iii) an entity that holds a Capital Markets Services Licence under the Securities and Futures Act 2001 of Singapore to carry out the regulated activities – Advising on Corporate Finance or Dealing in Capital Markets Products – Securities.

As the Programme as a whole was arranged by Citicorp Investment Bank (Singapore) Limited and DBS in Singapore, each of which was a FSI-BM Company at such time and is a Specified Licensed Entity, any tranche of the Notes (the **“Relevant Notes”**) issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2028 would be QDS for the purposes of the ITA pursuant to the MAS Circular, to which the following treatment shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Company, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require and the inclusion by the Company in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for QDS shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the **“Qualifying Income”**) from the Relevant Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore income tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Company, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Company including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Company, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Company.

Notwithstanding the foregoing:

(i) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Company, such Relevant Notes would not qualify as QDS; and

(ii) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Company, Qualifying Income derived from such Relevant Notes held by:

(a) any related party of the Company; or

(b) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Company,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “**related party**”, in relation to a person (A), means any person (a) who directly or indirectly controls A; (b) who is being controlled directly or indirectly by A; or (c) who, together with A, is directly or indirectly under the control of a common person.

The terms “**break cost**”, “**prepayment fee**” and “**redemption premium**” are defined in the ITA as follows:

“**break cost**”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

“prepayment fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

“redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Pursuant to the MAS Circular, the scope of qualifying income under the QDS scheme has been streamlined and clarified with effect from 15 February 2023 such that all payments made by the issuer of the QDS on the redemption of the QDS upon its maturity or on the early redemption of the QDS are qualifying income.

Where interest, discount income, prepayment fee, redemption premium, break cost or payment on the redemption of the Relevant Notes upon their maturity or on the early redemption of the Relevant Notes is derived from any of the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium, break cost or payment on the redemption of the Relevant Notes upon their maturity or on the early redemption of the Relevant Notes which is derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

2. CAPITAL GAINS

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who are adopting Singapore Financial Reporting Standard (“**FRS**”) 39 – Financial Instruments: Recognition and Measurement, FRS 109 – Financial Instruments or Singapore Financial Reporting Standard (International) 9 (“**SFRS(I) 9**”) (as the case may be), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on “Adoption of FRS 39, FRS 109 and SFRS(I) 9 for Singapore income tax purposes”.

3. ADOPTION OF FRS 39, FRS 109 AND SFRS(I) 9 FOR SINGAPORE INCOME TAX PURPOSES

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The Inland Revenue Authority of Singapore has also issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement”.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 (as the case may be) for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The Inland Revenue Authority of Singapore has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. ESTATE DUTY

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Proposed Financial Transactions Tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

United States Foreign Account Tax Compliance Act (“FATCA”) Tax Provisions

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Company may be a foreign financial institution for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application

of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining “foreign passthru payment”. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Company and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Notes from the Company pursuant to the Programme Agreement.

IMPORTANT NOTICE TO CMIs (INCLUDING PRIVATE BANKS)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Information Memorandum and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;
- a unique identification number for each investor;
- whether an underlying investor has any “Associations” (as used in the SFC Code);
- whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code); and
- whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealer may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

United States

- (A) The Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, Notes may not be offered or sold within the United States or to U.S. persons. Each Dealer has represented and agreed that, except as permitted by the Programme Agreement, it will not offer, sell or in the case of Bearer Notes, deliver the Notes within the United States or to U.S. persons. In addition, until 40 days after the commencement of any offering, an offer or sale of Notes from that offering within the United States by any dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

- (B) Bearer Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or to United States persons, except in certain transactions permitted by U.S. tax regulations.
- (C) In addition, unless the Pricing Supplement or the Subscription Agreement relating to one or more Tranches specifies that the applicable TEFRA exemption is either “C Rules” or “not applicable”, each Dealer has represented and agreed in relation to each Tranche of bearer Notes:
 - (i) except to the extent permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”):
 - (a) it has not offered or sold, and during a 40-day restricted period shall not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person; and
 - (b) it has not delivered and shall not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
 - (ii) it has and throughout the restricted period shall have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes in bearer form may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
 - (iii) if it is a United States person, it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it shall only do so in accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6); and
 - (iv) with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period, it either (a) repeats and confirms the representations contained in sub-paragraphs (i), (ii) and (iii) on behalf of such affiliate or (b) agrees that it shall obtain from such affiliate for the benefit of the Company the representations contained in sub-paragraphs (i), (ii) and (iii).

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the D Rules.

- (C) In addition, to the extent that the Pricing Supplement and the Subscription Agreement relating to one or more Tranches specifies that the applicable TEFRA exemption is “C Rules”, under U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”), Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Dealer has represented and agreed that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, Notes within the United States or its possessions in connection with their original issuance. Further, in connection with their original issuance of Notes, it has not communicated, and shall not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions or otherwise involve its U.S. office in the offer or sale of Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the C Rules.

Prohibition of Sales to EEA Retail Investors

If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, each Dealer has represented, and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**EU MiFID II**”); or
- (ii) a customer within the meaning of Directive (EU) 2016/97 (“**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

Public Offer Selling Restriction Under the EU Prospectus Regulation

If the Pricing Supplement in respect of any Notes does not include a legend entitled “Prohibition of Sales to EEA Retail Investors”, in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation.

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**EU Prospectus Regulation**” means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of sales to UK Retail Investors: If the Pricing Supplement in respect of any Notes includes the legend “Prohibition of Sales to UK Retail Investors”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

If the Pricing Supplement in respect of any Notes does not include the legend “Prohibition of Sales to UK Retail Investors”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of UK Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other UK regulatory restrictions

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree:

- (a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not, if it was not an authorised person, apply to the Issuer; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance, Chapter 571 of Hong Kong (the “SFO”) and any rules made thereunder; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of Hong Kong (the “C(WUMP)O”), or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purpose of issue, and will not issue or have in its possession for the purpose of issue, any advertisement, invitation or document relating to the Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the “**FIEA**”). Accordingly, each Dealer represents, warrants and agrees, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other applicable laws, regulations and ministerial guidelines of Japan.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been, or will be, lodged with the Australian Securities and Investment Commission (“**ASIC**”) or any other regulatory authority in Australia. Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that, unless an applicable Pricing Supplement (or a supplement to this Information Memorandum) otherwise provides, it:

- (a) has not offered or invited applications, and will not offer or invite applications for the issue, sale or purchase of the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, the Information Memorandum or any other offering material or advertisement relating to any Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency, and in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “**retail client**” as defined for the purposes of Section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives in Australia (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act); and

such action does not require any document to be lodged with ASIC, or any other regulatory authority in Australia.

Korea

The Notes have not been registered and will not be registered with the Financial Services Commission of Korea for a public offering in Korea under the Korea Financial Investment Services and Capital Markets Act (“**FSCMA**”). The Notes have not been and will not be offered, sold or delivered directly or indirectly, or offered, sold or delivered to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined in the Foreign Exchange Transactions Law of Korea (“**FETL**”) and its Enforcement Decree) within 1 year of the issuance of

the Notes, except as otherwise permitted under applicable Korean laws and regulations, including the FSCMA and the FETL and the decrees and regulations thereunder. Without prejudice to the foregoing, the number of Notes offered in Korea or to a resident in Korea shall be less than 50 and for a period of one year from the issue date of the Notes, none of the Notes may be divided resulting in an increased number of Notes. By the purchase of a Note, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased such Note pursuant to the applicable laws and regulations of Korea.

Taiwan

The Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be issued, offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Securities in Taiwan. The Notes may be made available outside Taiwan for purchase outside Taiwan by Taiwan resident investors, but may not be offered or sold in Taiwan.

General

The selling restrictions contained in the Programme Agreement may be modified, varied or amended from time to time by notification from the Company to the Dealers and each Dealer has undertaken that it will at all times comply with all such selling restrictions.

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Arranger and Dealer has represented, warranted and undertaken to the Company that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Information Memorandum and any related offering material.

Certain of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking transactions with, and may perform services for, the Company and its respective subsidiaries in the ordinary course of business for which they have and/or will receive fees and expenses. In the ordinary course of their various business activities, certain of the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto in order to manage their exposure, their general market risk, or other trading activities. Such transactions, investments and securities activities may involve securities and instruments of the Company or its respective subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but whether or not with a view to later distribution. Such

persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

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

GENERAL INFORMATION

Legal Entity Identifier

The Legal Entity Identifier of the Company is 549300ZG62N2599PWR15.

Material Change

Save as disclosed in this Information Memorandum, there has been no material adverse change in the financial position or business of the Company since 31 March 2023.

Working Capital

The Company is of the opinion that, after taking into account the present banking facilities, the Company has adequate working capital for its present requirements.

Changes in Accounting Policies

There has been no changes in accounting policies which would have a material adverse effect in the financial performance or position of the Group since 31 March 2023.

Litigation

Neither the Company nor the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or contemplated) which may have or may have had (during the 12 months prior to the date of this Information Memorandum) a significant effect on the financial or trading position or profitability of the Group.

Documents for Inspection

As long as the Notes are outstanding, copies of the following documents may be inspected at the specified offices of each of the Principal Issuing and Paying Agent and the Singapore Issuing and Paying Agent during usual business hours on any weekday (public holidays excepted) or may be provided by email to the requesting Noteholder:

- (i) the Constitution of the Company;
- (ii) the Information Memorandum;
- (iii) the Agency Agreement;
- (iv) the Singapore Law Trust Deed (which contains the forms of the Notes in global and definitive form); and
- (v) the English Law Trust Deed (which contains the forms of the Notes in global and definitive form).

APPENDIX – Q1 BUSINESS UPDATE

The information in this Appendix has been reproduced from the announcement on 27 July 2023 of the business updates of the Group for Q1 FY2024 and has not been specifically prepared for inclusion in this Information Memorandum.



No. 03/23

27 July 2023

SIA GROUP REPORTS RECORD QUARTERLY NET PROFIT OF \$734 MILLION ON ROBUST PASSENGER DEMAND

- Continued strength in travel demand drives record load factors
- Near-term forward passenger bookings remain robust
- Cargo revenue declines on softening demand and higher capacity
- Continued investments in strategic initiatives, industry-leading products and services
- Group continues to cautiously navigate geopolitical and macroeconomic uncertainties, as well as increasing competition across key markets

SIA GROUP FINANCIAL PERFORMANCE

First Quarter FY2023/24 – Profit and Loss

The Singapore Airlines (SIA) Group's financial performance for the first quarter of FY2023/24 is summarised as follows:

Group Financial Results	1 st Quarter FY2023/24 (\$ million)	1 st Quarter FY2022/23 (\$ million)	Better/ (Worse) (%)
Total Revenue	4,479	3,928	14.0
Total Expenditure	3,725	3,372	(10.5)
Net Fuel Cost	1,053	1,273	17.3
<i>Fuel Cost (before hedging)</i>	<i>1,154</i>	<i>1,475</i>	<i>21.8</i>
<i>Fuel Hedging Gain</i>	<i>(101)</i>	<i>(202)</i>	<i>(50.0)</i>
Non-fuel Expenditure	2,671	2,099	(27.3)
Operating Profit	755	556	35.8
Net Profit	734	370	98.4

The SIA Group's unaudited financial results for the first quarter ended 30 June 2023 were announced on 27 July 2023. A summary of the financial and operating statistics is shown in Annex A. All monetary figures are in Singapore Dollars. The Company refers to Singapore Airlines, the Parent Airline Company. The Group comprises the Company and its subsidiary, joint venture, and associated companies.

The figures in the table may not sum up to the stated totals because of rounding.

The SIA Group posted a net profit of \$734 million in the first three months of FY2023/24, the highest quarterly performance in its history, amid robust demand for air travel through the mid-year school holidays and the start of the summer travel season.

Group passenger capacity expanded by 32.4% year-on-year as restrictions on international air travel eased globally. SIA and Scoot carried 8.4 million passengers during the quarter, 65.5% higher than a year before, with strong demand across all route regions and market segments. Passenger traffic and load factors improved across all markets, with the year-on-year traffic growth of 49.0% outpacing the capacity expansion. The Group achieved a record quarterly passenger load factor (PLF) of 88.9%, with SIA's PLF at a record 88.1% and Scoot's at a record 91.7%.

The cargo segment's performance declined year-on-year as the demand for air freight continued to soften. Cargo loads dipped 11.3% year-on year, while capacity grew 12.1%, primarily from the increase in bellyhold capacity as more passenger flights returned to service. Cargo load factor fell by 13.7 percentage points to 51.8%, and cargo yields fell 44.3% compared to last year. Nevertheless, cargo yields at 44.6 cents per load tonne-kilometre remained 50% above the pre-Covid level of 29.7 cents per load tonne-kilometre (first quarter of FY2019/20).

As a result, Group revenue rose \$551 million (+14.0%) year-on-year to \$4,479 million, with the higher passenger flown revenue of \$1,001 million (+37.4%), partially offset by a \$555 million (-50.6%) decline in cargo flown revenue.

Expenditure increased \$353 million (+10.5%) year-on-year to \$3,725 million, with the rise in non-fuel expenditure of \$572 million (+27.3%) partly offset by a \$220 million decrease (-17.3%) in net fuel cost. Net fuel cost fell to \$1,053 million mainly due to a 33.4% decrease in fuel prices (-\$599 million), despite higher volumes uplifted (+\$305 million) and lower fuel hedging gains (+\$101 million). The 27.3% increase in non-fuel expenditure was within the 32.4% increase in passenger capacity.

The Group posted an operating profit of \$755 million, \$199 million (+35.8%) better than the \$556 million operating profit a year before. SIA generated a record operating profit of \$738 million, an improvement of \$113 million. Operating profit for Scoot was \$24 million, up \$76 million compared to the prior year.

Group quarterly net profit was up \$364 million, or 98.4% higher than last year at \$734 million. This was mainly attributable to the better operating performance (+\$199 million), a net interest income versus a net finance charge last year (+\$144 million), and a share of profits versus a share of losses of associated companies last year (+\$81 million), and partially offset by this year's higher tax expense (-\$62 million).

First Quarter FY2023/24 – Balance Sheet

As of 30 June 2023, the Group shareholders' equity was \$17.2 billion, a decline of \$2.7 billion from 31 March 2023, following the \$3.4 billion redemption in June 2023 of half of the Mandatory Convertible Bonds (MCBs) that were issued in June 2021. Cash and bank balances decreased \$2.5 billion to \$13.8 billion, with the drop in cash balance from the redemption of the MCBs partially mitigated by the net cash generated from operations of \$1.6 billion, which included proceeds from forward sales. As total debt balances remained at \$14.7 billion, the Group's debt-equity ratio increased from 0.77 times to 0.86 times. In addition to the cash on hand, the Group retains access to \$2.2 billion of committed lines of credit, all of which remain undrawn. The Group's balance sheet remains healthy and is among the strongest in the industry.

FLEET DEVELOPMENT

SIA added four aircraft to its operating fleet in the first quarter. These comprise one Airbus A350-900 (delivered in March 2023), two Boeing 787-10s (delivered in April 2023 and June 2023), and one 737-8 (delivered in February 2022) after its cabin retrofit.

As of 30 June 2023, the Group had 199 aircraft in its operating fleet comprising 192 passenger aircraft and seven freighters. SIA's operating fleet comprised 137 passenger aircraft¹ and seven freighters, while Scoot had 55 passenger aircraft². The Group has 99 aircraft³ in its order book.

With an average age of six years and 11 months, the Group operates one of the youngest and most fuel-efficient fleets in the airline industry⁴. This allows the Group to offer greater comfort and innovative products to customers, while further driving operating efficiency and supporting ongoing efforts to lower carbon emissions.

NETWORK DEVELOPMENT

In the first quarter, Scoot expanded its footprint in China with the resumption of services to seven destinations (Changsha, Haikou, Nanning, Ningbo, Shenyang, Wuhan, and Xi'an). With these additions, SIA and Scoot collectively serve 17 destinations in China, with Scoot serving 14 points and SIA serving four points. As of 30 June 2023, the Group's passenger network⁵ covered 116 destinations in 36 countries and territories. SIA served 74 destinations while Scoot served 65 destinations. The cargo network⁵ comprised 121 destinations in 38 countries and territories.

Note 1: SIA's 137-passenger aircraft fleet comprised 23 777-300ERs, 12 A380s, 62 A350s, 17 787-10s, seven 737-800s, and 16 737-8s.

Note 2: Scoot's 55-passenger aircraft fleet comprised 10 787-8s, 10 787-9s, 20 A320neos, six A321neos, and nine A321XLRs.

Note 3: This comprises 28 Airbus aircraft (three A350s, 12 A320neos, six A321neos, seven A350Fs), 62 Boeing aircraft (31 777-9s, 18 787s, 13 737-8s), and nine Embraer E190-E2 aircraft.

Note 4: The industry average fleet age as of July 2023 is around 15 years, according to CAPA data.

Note 5: Number of destinations, and countries and territories include Singapore.

SIA will resume four-times weekly services to Busan from 28 August 2023. During the Northern Winter operating season (29 October 2023 to 30 March 2024), SIA will increase frequencies to Hong Kong SAR, Japan (Fukuoka, Haneda, Nagoya, and Osaka), and Thailand (Bangkok and Phuket). In response to the strong demand during the year-end peak travel season, SIA will operate supplementary services to Adelaide, Brisbane, Christchurch, Melbourne, Perth, and Sydney from 22 November 2023. From 31 January 2024, additional frequencies will be mounted to Frankfurt until the end of the Northern Winter operating season.

Scoot resumed flights to Jinan and Shenzhen in China in July 2023, and will serve Nanchang from August 2023. From 29 October 2023, Scoot will inject additional frequencies to Chiang Mai, Davao, and Jeddah. The low-cost carrier will also restructure its existing direct flights to Athens and Berlin, and operate three-times weekly Singapore-Athens-Berlin services during the Northern Winter season.

Subject to regulatory approvals, SIA and Scoot will restructure their Bengaluru, Chennai and Hyderabad services from 29 October 2023. As part of this move, SIA will offer daily morning and evening services to Bengaluru. The SIA Group will also increase its services between Singapore and Chennai from 17-times weekly to 21-times weekly, with Scoot commencing daily operations to the city after SIA transfers some of its Chennai services to the low-cost carrier from 5 November 2023. In addition, SIA will progressively increase its weekly service between Singapore and Hyderabad from seven-times weekly to 12-times weekly, taking over Scoot's daily services between the two cities.

These adjustments are part of the continuous review of the SIA Group's network, and reflect its ability and flexibility to adjust operations between SIA and Scoot to meet evolving customer demand.

The SIA Group's capacity remains on track to reach an average of around 90% of pre-Covid⁶ levels by March 2024.

STRATEGIC INITIATIVES

Work continues on the proposed merger of Air India and Vistara, which will result in SIA taking a 25.1% stake in the enlarged Air India Group when the transaction has been completed. This will bolster the Group's presence in India, strengthen its multi-hub strategy, and allow it to continue participating directly in this large and fast-growing aviation market.

The Group continues to pursue commercial partnerships with like-minded partners. In May 2023, Garuda Indonesia and SIA agreed on plans for a route joint venture arrangement that would deepen the cooperation between the two carriers. The proposed route joint venture, subject to regulatory approvals, would potentially allow the coordination of schedules between Singapore and Indonesia, and explore new initiatives such as joint fare products, and cross participation of frequent flyer programmes.

Note 6: Pre-Covid refers to January 2020, before the onset of Covid-19 pandemic.

ENHANCING THE CUSTOMER EXPERIENCE

SIA continues to invest in its products and services to enhance the customer experience. In February 2023, SIA became the first airline to roll out complimentary unlimited in-flight Wi-Fi for all Business Class customers, as well as its PPS Club members and PPS Club supplementary card holders. KrisFlyer members were given free three-hour and two-hour Wi-Fi plans when travelling in Premium Economy Class and Economy Class respectively. This benefit was enhanced from 1 July 2023, to allow all KrisFlyer members travelling in Premium Economy Class and Economy Class access to complimentary unlimited in-flight Wi-Fi. The enhanced Wi-Fi offering is available on 95% of SIA's aircraft fleet⁷ and across almost the entire SIA route network. As a result, SIA's customers enjoy the most comprehensive free unlimited Wi-Fi access in the airline industry.

In June 2023, SIA was once again recognised as the *World's Best Airline* at the 2023 Skytrax World Airline Awards. This is the fifth time SIA has won this prestigious accolade. SIA also took the top spot in four categories including *Best First Class Airline*, *Best First Class Comfort Amenities*, and *Best Airline in Asia*.

SIA's low-cost subsidiary Scoot was named *Best Long Haul Low-cost Airline* at the Skytrax awards, and ranked second in the *World's Best Low-cost Airlines* category.

OUTLOOK

The demand for air travel is expected to remain robust for all route regions through the summer peak, with forward passenger bookings closely tracking capacity injection across most markets over the next three months. The SIA Group is well positioned in this operating environment, even as competition is expected to intensify in the coming months as more capacity is injected into international routes. The Group will monitor these trends closely, and adjust its capacity and network accordingly.

Cargo demand is expected to remain soft in the near term due to inflation and weak economic conditions. As more airlines add passenger services, bellyhold capacity will continue to increase globally. Inventory overhang and the easing of supply chain constraints have also resulted in a modal shift towards sea freight. Higher competition, as well as softer cargo demand, may continue to exert downward pressure on cargo yields, particularly on key trade lanes.

All hedge positions that were contracted at lower Brent prices prior to Covid-19 have matured as at end of the first quarter of FY2023/24. The remaining hedge positions from the second quarter of FY2023/24 onwards are at prices closer to prevailing market levels.

Note 7: Free unlimited Wi-Fi services are available on all aircraft except for the seven Boeing 737-800s that are not Wi-Fi enabled.

Macroeconomic and geopolitical uncertainties, as well as inflation, could pose challenges for the airline industry. The strength of the Group's portfolio and multi-hub strategies, as well as its successful Transformation programmes, have put it in a strong position to navigate these challenges and benefit from future opportunities.

* * *

About Singapore Airlines

The Singapore Airlines (SIA) Group's history dates to 1947 with the maiden flight of Malayan Airways. The airline was later renamed Malaysian Airways and then Malaysia-Singapore Airlines (MSA). In 1972, MSA split into Singapore Airlines and Malaysian Airline System. Initially operating a modest fleet of 10 aircraft to 22 destinations in 18 countries, SIA has since grown to be a world-class international airline group that is committed to the constant enhancement of the three main pillars of its brand promise: Service Excellence, Product Leadership, and Network Connectivity.

SIA is the world's most awarded airline. In 2023, SIA was again named in Fortune Magazine's list of the 50 most admired companies in the world. SIA is the highest ranked Asian company and the only Singapore-based brand in the list. In February 2023, SIA was named *Airline of the Year* in the Air Transport World Airline Industry Awards. This accolade recognised SIA's outstanding performance, innovation, and superior service within the airline industry. In June 2023, SIA was named *World's Best Airline* in the 2023 Skytrax World Airline Awards, the fifth time it has won this prestigious accolade. For more information, please visit www.singaporeair.com.

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A STAR ALLIANCE MEMBER 

GROUP FINANCIAL STATISTICS

	1 st Quarter 2023/24	1 st Quarter 2022/23
Financial Results (\$ million)		
Total revenue	4,479.3	3,928.2
Total expenditure	3,724.8	3,371.8
Operating profit	754.5	556.4
Profit attributable to Owners of the Company	734.0	370.4
Earnings per share (cents)		
- Basic ^{R1}	14.3	5.8
- Adjusted Basic ^{R2}	24.7	12.5
- Diluted ^{R3}	14.0	5.7
EBITDA (\$ million) ^{R4}	1,505.1	1,049.4
EBITDA margin (%) ^{R5}	33.6	26.7
Financial Position (\$ million)		
	As at 30 Jun 2023	As at 31 Mar 2023
Total assets	46,064.8	49,101.2
Total debt	14,695.8	15,339.3
Total cash and bank balances	13,773.7	16,327.6
Total liabilities	28,499.4	28,851.4
Equity attributable to Owners of the Company	17,167.0	19,858.3
Debt : equity ratio (times) ^{R6}	0.86	0.77
Net asset value per share (\$) ^{R7}	5.78	6.68
Adjusted net asset value per share (\$) ^{R8}	4.06	3.72

^{R1} Earnings per share (basic) is computed by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, assuming the conversion of all mandatory convertible bonds in accordance with IAS 33 Earnings Per Share.

^{R2} Earnings per share (adjusted basic) is computed by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, assuming the redemption of all mandatory convertible bonds.

^{R3} Earnings per share (diluted) is computed by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, adjusted for the dilutive effect of the vesting of all outstanding share-based incentive awards granted, in accordance with IAS 33.

^{R4} EBITDA denotes earnings before interest, taxes, depreciation, and amortisation.

^{R5} EBITDA margin is computed by dividing EBITDA by the total revenue.

^{R6} Debt : equity ratio is total debt divided by equity attributable to owners of the Company.

^{R7} Net asset value per share is computed by dividing equity attributable to owners of the Company by the number of ordinary shares in issue less treasury shares.

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

OPERATING STATISTICS

	1 st Quarter 2023/24	1 st Quarter 2022/23		Change %
<u>Singapore Airlines</u>				
Passengers carried (thousand)	5,476	3,839	+	42.6
Revenue passenger-km (million)	25,932.7	19,432.1	+	33.5
Available seat-km (million)	29,426.7	23,575.3	+	24.8
Passenger load factor (%)	88.1	82.4	+	5.7 pts
Passenger yield (cents/pkm)	12.1	12.3	-	1.6
Revenue per available seat-km (cents/ask)	10.6	10.2	+	3.9
Passenger unit cost (cents/ask)	8.6	10.0	-	14.0
Passenger unit cost ex-fuel (cents/ask)	5.8	5.8		-
<u>Scoot</u>				
Passengers carried (thousand)	2,960	1,257	+	135.5
Revenue passenger-km (million)	7,999.8	3,340.4	+	139.5
Available seat-km (million)	8,723.5	5,243.8	+	66.4
Passenger load factor (%)	91.7	63.7	+	28.0 pts
Passenger yield (cents/pkm)	6.8	8.5	-	20.0
Revenue per available seat-km (cents/ask)	6.3	5.4	+	16.7
Passenger unit cost (cents/ask)	6.1	6.4	-	4.7
Passenger unit cost ex-fuel (cents/ask)	4.3	4.2	+	2.4
<u>Group Airlines (Passenger)</u>				
Passengers carried (thousand)	8,436	5,096	+	65.5
Revenue passenger-km (million)	33,932.5	22,772.5	+	49.0
Available seat-km (million)	38,150.2	28,819.1	+	32.4
Passenger load factor (%)	88.9	79.0	+	9.9 pts
Passenger yield (cents/pkm)	10.8	11.7	-	7.7
Revenue per available seat-km (cents/ask)	9.6	9.3	+	3.2
<u>Group Airlines (Cargo)</u>				
Cargo and mail carried (million kg)	214.1	239.5	-	10.6
Cargo load (million tonne-km)	1,215.5	1,370.5	-	11.3
Gross capacity (million tonne-km)	2,344.3	2,091.7	+	12.1
Cargo load factor (%)	51.8	65.5	-	13.7 pts
Cargo yield (cents/ltk)	44.6	80.0	-	44.3
Cargo unit cost (cents/ctk)	20.0	27.0	-	25.9

GLOSSARY

Revenue passenger-km	=	Number of passengers carried x distance flown (in km)
Available seat-km	=	Number of available seats x distance flown (in km)
Passenger load factor	=	Revenue passenger-km expressed as a percentage of available seat-km
Passenger yield	=	Passenger revenue from scheduled services divided by revenue passenger-km
Revenue per available seat-km	=	Passenger revenue from scheduled services divided by available seat-km
Passenger unit cost	=	Passenger operating expenditure divided by available seat-km
Passenger unit cost ex-fuel	=	Passenger operating expenditure less fuel cost, divided by available seat-km
Cargo load	=	Cargo and mail load carried (in tonnes) x distance flown (in km)
Gross capacity	=	Cargo capacity production (in tonnes) x distance flown (in km)
Cargo load factor	=	Cargo and mail load (in tonne-km) expressed as a percentage of gross capacity (in tonne-km)
Cargo yield	=	Cargo and mail revenue from scheduled services divided by cargo load (in tonne-km)
Cargo unit cost	=	Cargo operating expenditure divided by gross capacity (in tonne-km)

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The information in this section has been reproduced from the annual report of the Company and its subsidiaries for the financial years ended 31 March 2023 and 2022 and has not been specifically prepared for inclusion in this Information Memorandum.

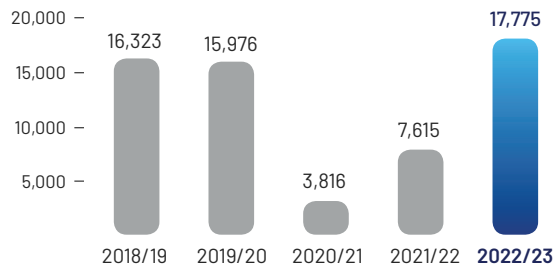
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Financial Review

Highlights of the Group's Performance

REVENUE

(\$ million)



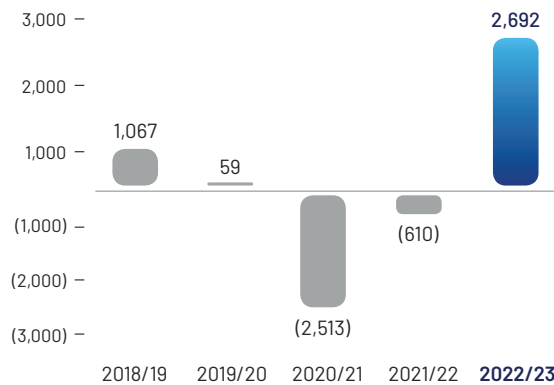
TOTAL REVENUE

\$17,775
million

(+\$10,160 million, +133.4%)

OPERATING PROFIT/(LOSS)

(\$ million)



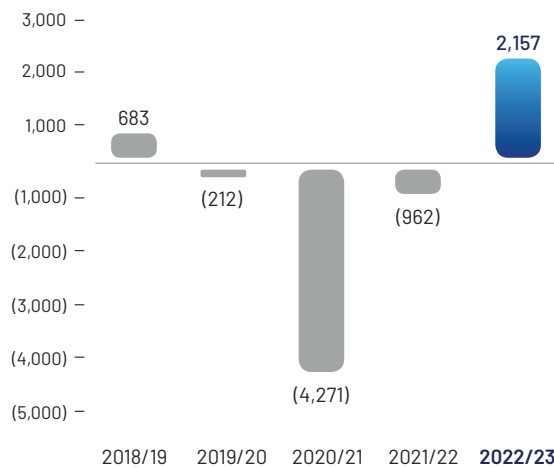
OPERATING PROFIT

\$2,692
million

(+\$3,302 million, n.m.)

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

(\$ million)



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

\$2,157
million

(+\$3,119 million, n.m.)

Performance of the Group

KEY FINANCIAL HIGHLIGHTS

	2022/23	2021/22	% Change
Profit/(Loss) for the Year (\$ million)			
Revenue	17,774.8	7,614.8	+ 133.4
Expenditure	15,082.7	8,224.5	+ 83.4
Operating profit/(loss)	2,692.1	(609.7)	n.m.
Profit/(Loss) attributable to owners of the Company	2,156.8	(962.0)	n.m.
Per Share Data (cents)			
Earnings/(Loss) per share – basic	35.6	(16.2)	n.m.
Ratios (%)			
Return on equity holders' funds	10.2	(5.0)	+ 15.2 points
Return on total assets	4.4	(2.2)	+ 6.6 points

GROUP PROFIT

Group operating profit reached a record high \$2,692 million for the financial year, a massive turnaround of \$3,302 million from last year's operating loss. The return to operating profit was largely attributable to the recovery in passenger business which saw passenger flown revenue rebound strongly despite macroeconomic headwinds dampening cargo demand.

Group revenue more than doubled, increasing \$10,160 million (+133.4%) year-on-year to \$17,775 million. Demand for air travel surged after Singapore fully re-opened its borders to vaccinated travellers in April 2022, and as restrictions on international air travel eased globally over the course of the year. To meet the strong pent-up demand, the Group ramped up passenger capacity (measured in available seat-kilometres) by 94.0%, bringing operating capacity to 79.2% of pre-Covid levels by the end of March 2023. Robust demand saw passenger traffic (measured in revenue-passenger kilometres) jump 449.9% to deliver passenger flown revenue of \$13,366 million, more than four times higher than last year.

On the other hand, cargo flown revenue moderated against the record high last year to \$3,604 million, down \$735 million (-17.0%) year-on-year, as the demand for air freight declined, and as supply chain disruptions brought about by the Covid-19 pandemic subsided. Macroeconomic headwinds dampened consumer demand, while high inventory levels led to a slowdown of new orders. Cargo yields also fell year-on-year as industry bellyhold capacity increased with the progressive restoration of passenger flights. Nonetheless, cargo revenue remained 82.9% above the pre-Covid level registered in calendar year 2019.

	2022/23 \$ million	2021/22 \$ million	% Change
Passenger flown revenue	13,365.7	2,806.0	n.m.
Cargo flown revenue	3,603.8	4,339.4	- 17.0
Engineering services	311.2	196.8	+ 58.1
Others	494.1	272.6	+ 81.3
Total revenue	17,774.8	7,614.8	+ 133.4

n.m. - not meaningful

Financial Review (Continued)

Performance of the Group (Continued)

GROUP PROFIT (CONTINUED)

Group expenditure increased \$6,858 million (+83.4%) year-on-year to \$15,083 million.

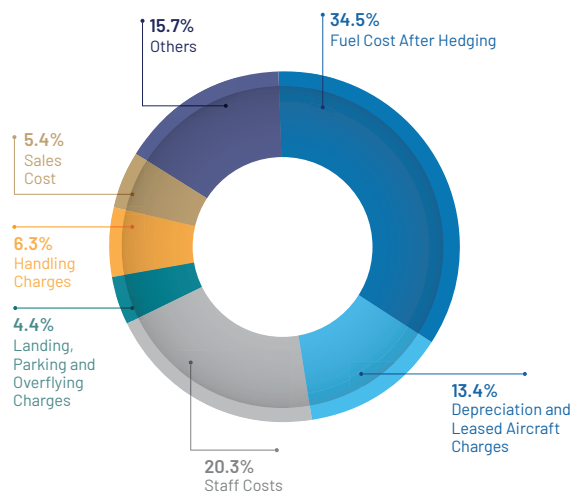
Fuel cost after hedging rose \$3,020 million (+138.0%) to \$5,209 million, largely from a 49.6% increase in average jet fuel prices (+\$1,942 million) as demand for oil recovered, while sanctions on Russian oil arising from the Russian-Ukraine war affected oil supply. The increase was further contributed by higher fuel volume uplifted due to higher capacity deployed (+\$1,495 million) and a stronger US Dollar against the Singapore Dollar (+\$113 million), partially offset by higher fuel hedging gains (-\$530 million).

Excluding the absence of last year's mark-to-market gains on fuel derivatives, non-fuel expenditure increased \$3,761 million (+61.5%), mainly attributable to the expansion in operations, increase in bookings, easing of manpower measures and lower government grants received.

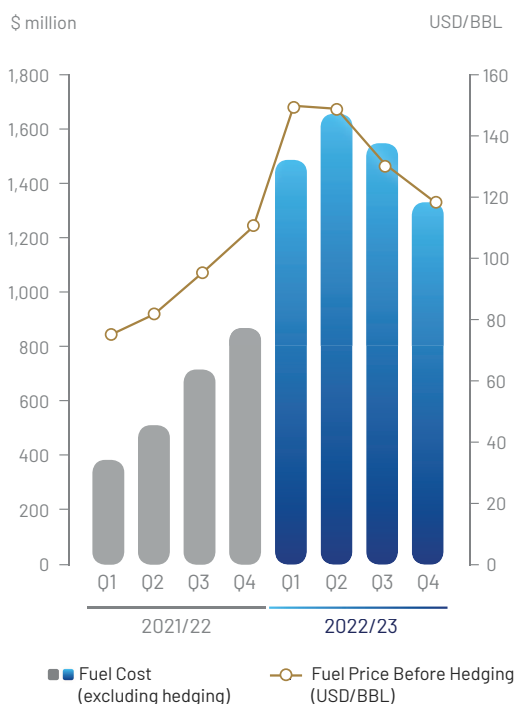
The Group registered a record operating profit of \$2,692 million for the financial year ended 31 March 2023, an improvement of \$3,302 million from the operating loss last year. The improvement was largely attributable to the return to profitability by the Group airlines. Please refer to the review of the FSC and subsidiary companies for further details.

The Group achieved a record net profit of \$2,157 million, a swing of \$3,119 million from the \$962 million net loss last year. This was mainly driven by the better operating performance (+\$3,302 million), lower net finance charges (+\$338 million), a write-back of non-cash impairment charges against impairment last year (+\$104 million) and lower share of losses of associated companies (+\$83 million). These were partially offset by a tax expense against tax credit last year (-\$615 million) following the Group's return to profitability, as well as a loss against surplus on disposal of aircraft, spares and spare engines (-\$93 million).

GROUP EXPENDITURE



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



FINANCIAL POSITION

Equity attributable to owners of the Company fell by \$2,554 million (-11.4%) to \$19,858 million as at 31 March 2023, largely due to the redemption of mandatory convertible bonds (MCBs) during the year (-\$3,496 million), lower fair value gains on cash flow hedges (-\$569 million), recognition of accreted interest on redemption of MCBs (-\$364 million) and payment of interim dividends (-\$297 million). These were partially offset by a net profit for the financial year (+\$2,157 million). The decline in fair value gains on cash flow hedges arose primarily from outstanding fuel hedges, driven by lower average forward fuel prices and maturity of contracts during the financial year.

Total Group assets increased \$430 million (+0.9%) to \$49,101 million. The increase was mainly due to an increase in cash and bank balances (+\$2,565 million) and right-of-use ("ROU") assets (+\$564 million), partially offset by lower derivative assets (-\$1,742 million) and property, plant and equipment (-\$738 million).

Cash and bank balances increased mainly due to net cash generated from operations (+\$9,130 million) and proceeds from sale and leaseback transactions (+\$1,210 million), partially offset by the redemption of MCBs during the financial year (-\$3,860 million), capital expenditure (-\$1,602 million), net repayment of borrowings (-\$982 million), lease payments (-\$740 million), interest payments (-\$333 million) and interim dividend payment (-\$297 million).

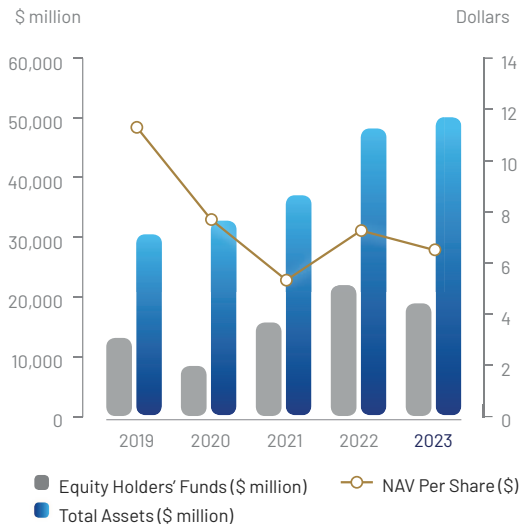
ROU assets increased as the Group entered into sale and leaseback arrangements for 14 aircraft during the year, namely six 737-8s, four 787-8s, two 787-9s and two A320neos. This was partially offset by depreciation for the financial year.

Derivative assets fell mainly from a decline in fair value gains on fuel hedging contracts due to lower average forward prices for Brent and maturity of contracts during the financial year, partially offset by an increase in fair value gains on interest rate swap contracts.

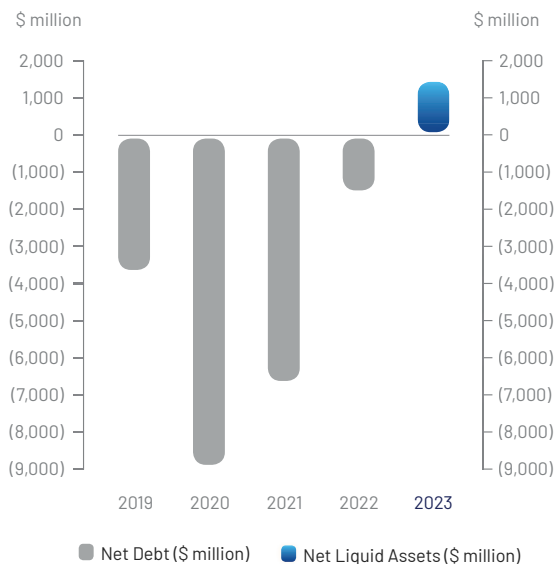
Property, plant and equipment declined largely due to depreciation and sale and leaseback arrangements on the 14 aircraft mentioned above, partially offset by pre-delivery payments for aircraft on order.

Total Group liabilities increased by \$2,981 million (+11.5%) to \$28,851 million as at 31 March 2023, primarily due to an increase in sales in advance of carriage (+\$2,524 million), trade and other creditors (+\$1,307 million), lease liabilities (+\$495 million) and deferred taxes (+\$366 million). These were partially offset by lower derivative liabilities (-\$928 million) and borrowings (-\$851 million).

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



GROUP NET DEBT AND NET LIQUID ASSETS



The Group's net liquid assets^{R1} was \$1,392 million as at 31 March 2023, a swing of \$2,918 million from the prior year, primarily attributable to higher cash and bank balances (+\$2,565 million) and a decrease in loans (+\$848 million), partially offset by higher lease liabilities (-\$495 million). Total debt to equity ratio increased from 0.70 times to 0.77 times as at 31 March 2023.

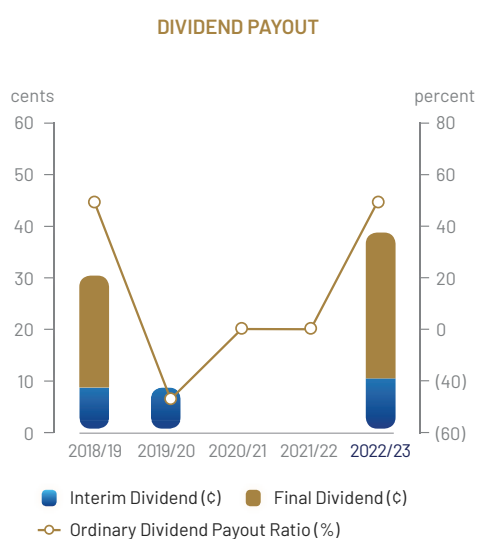
^{R1} Net liquid assets is defined as the sum of cash and bank balances and short-term investments, net of finance lease commitments, loans and bonds issued.

Financial Review (Continued)

Performance of the Group (Continued)

DIVIDENDS

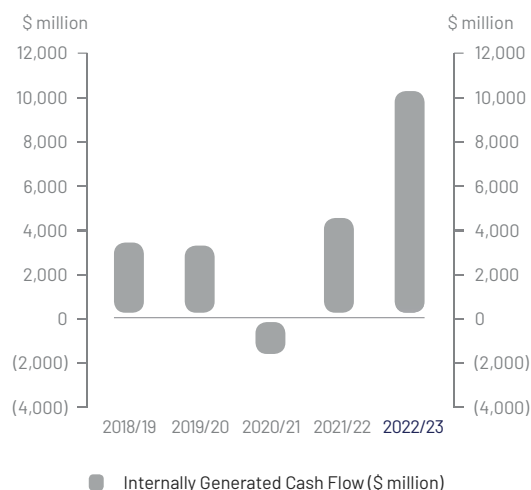
For the financial year ended 31 March 2023, the Board recommends a final dividend of 28 cents per share. Including the interim dividend of 10 cents per share paid on 22 December 2022, the total dividend for the financial year will be 38 cents per share. This amounts to a payout of approximately \$1,129 million based on the number of issued shares as at 31 March 2023.



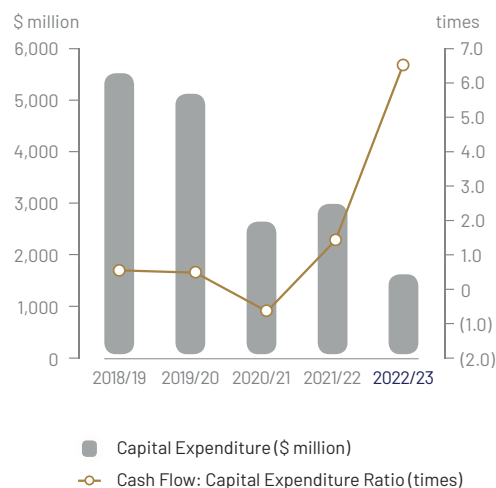
CAPITAL EXPENDITURE AND CASH FLOW OF THE GROUP

Capital expenditure was \$1,602 million, 47.5% lower than last year. More than 98% of the capital spending was on aircraft, spares and spare engines. Internally generated cash inflow was \$10,396 million, a 151.0% jump from last year and was 6.49 times of capital expenditure. The increase in internally generated cash flow was mainly attributable to higher cash inflow from operations and proceeds from sale and leaseback transactions, partially offset by lower proceeds from disposal of assets held for sale.

INTERNALLY GENERATED CASH FLOW



GROUP CAPITAL EXPENDITURE



GROUP STAFF STRENGTH AND PRODUCTIVITY

The Group's staff strength as at 31 March 2023 was as follows:

	31 March			
	2023	2022		
Singapore Airlines (and SilkAir) ^{R2}	15,504	14,101	+	9.9
SIA Engineering	5,736	5,294	+	8.3
Scoot	2,550	1,747	+	46.0
Others	355	351	+	1.1
	24,145	21,493	+	12.3

Average staff productivity was as follows:

	2022/23	2021/22		% Change
Revenue per employee (\$)	778,947	342,793	+	127.2
Value added per employee (\$)	357,360	126,951	+	181.5

STATEMENTS OF VALUE ADDED AND ITS DISTRIBUTION

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

	2022/23 \$ million	2021/22 \$ million
Total revenue	17,774.8	7,614.8
Less: Purchase of goods and services	(9,946.4)	(4,751.3)
	7,828.4	2,863.5
Add:		
Interest income	412.6	45.9
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(7.3)	85.9
Dividends from long-term investments	4.0	4.0
Other non-operating items	(58.4)	(49.5)
Share of profits of joint venture companies	34.8	28.2
Share of losses of associated companies	(59.5)	(157.9)
Total value added for distribution	8,154.6	2,820.1
Applied as follows:		
To employees:		
- Salaries and other staff cost	3,055.8	1,473.6
To government:		
- Corporation taxes	480.0	(155.5)
To suppliers of capital:		
- Interim and proposed dividends	1,128.9	-
- Finance charges	419.9	391.6
- Non-controlling interests	6.5	13.9
Retained for future capital requirements:		
- Depreciation, amortisation and impairment	2,035.6	2,058.5
- Retained profit/(loss)	1,027.9	(962.0)
Total value added	8,154.6	2,820.1
Value added per \$ revenue (\$)	0.46	0.37
Value added per \$ employment cost (\$)	2.67	1.91
Value added per \$ investment in property, plant and equipment (\$)	0.24	0.08

^{R2} Following the integration of SilkAir (Singapore) Private Limited ("SilkAir") with the Company in the financial year ended 31 March 2022, the statistics for Singapore Airlines and SilkAir are consolidated and presented under "Singapore Airlines (and SilkAir)" in this section.

Financial Review (Continued)

Performance of the Full-service Carrier

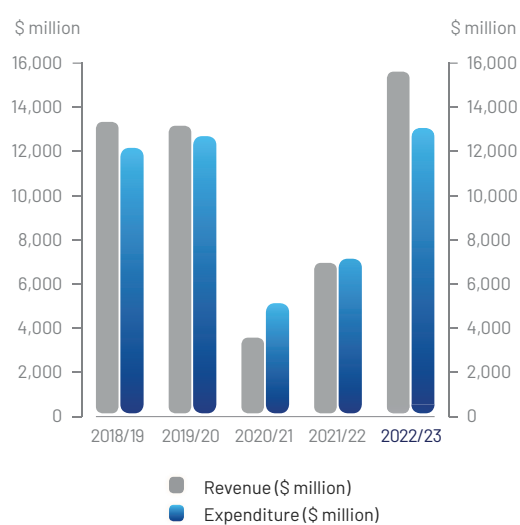
Following the completion of the integration of SilkAir with the Parent Airline Company on 31 May 2021, the financial performance for Singapore Airlines and SilkAir are consolidated and presented under the Full-Service Carrier (FSC).

EARNINGS

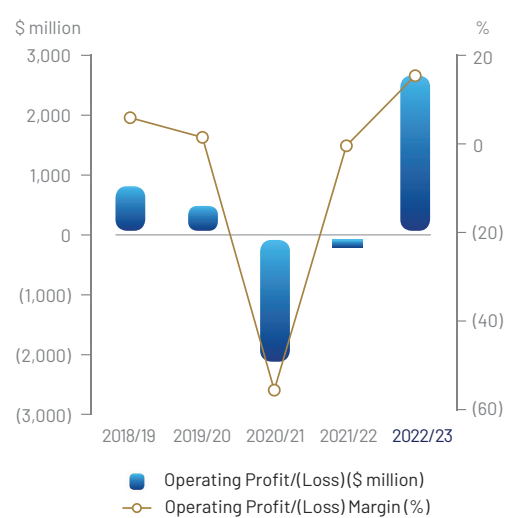
	2022/23 \$ million	2021/22 \$ million	% Change	
Revenue	15,590.1	7,068.1	+	120.6
Expenditure	12,988.9	7,180.0	+	80.9
Operating profit / (loss)	2,601.2	(111.9)		n.m.
Finance charges	(398.3)	(357.2)	+	11.5
Interest income	515.2	106.0		n.m.
Write-back of impairment / (Impairment) of aircraft	57.2	(50.5)		n.m.
(Loss) / Surplus on disposal of aircraft, spares and spare engines	(8.8)	84.4		n.m.
Dividends from subsidiary companies	8.0	3.0	+	166.7
Dividends from long-term investments	4.0	4.0		-
Other non-operating items	(53.6)	(55.2)	-	2.9
Profit / (Loss) before taxation	2,724.9	(377.4)		n.m.
Taxation	(506.0)	63.4		n.m.
Profit / (Loss) after taxation	2,218.9	(314.0)		n.m.

n.m. - not meaningful

FSC REVENUE AND EXPENDITURE



OPERATING PROFIT/(LOSS) AND OPERATING MARGIN



REVENUE

	2022/23	2021/22	Change	
	\$ million	\$ million	\$ million	%
Passenger flown revenue	11,530.2	2,509.8	+ 9,020.4	n.m.
Cargo and mail revenue	3,603.8	4,339.4	- 735.6	- 17.0
Others	456.1	218.9	+ 237.2	+ 108.4
Total operating revenue	15,590.1	7,068.1	+ 8,522.0	+ 120.6

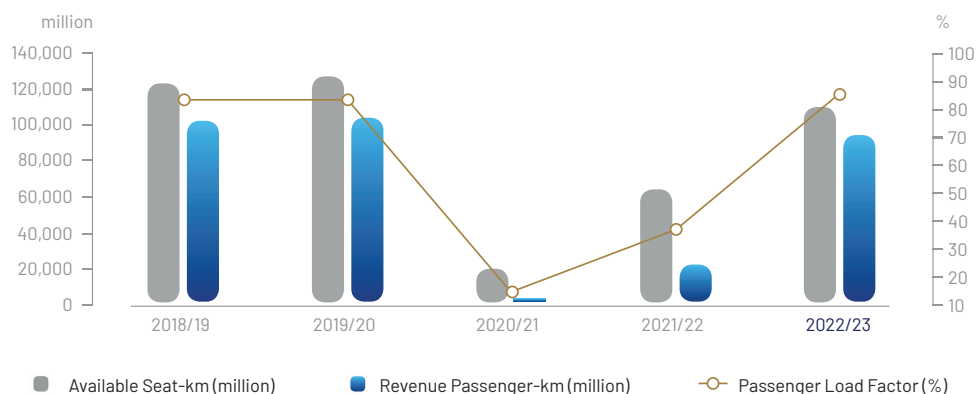
The FSC's revenue jumped 120.6% to \$15,590 million, predominantly from the strong pent-up demand for air travel following the lifting of travel restrictions and easing of Covid testing protocols in key global markets. This was partially offset by weaker cargo demand due to macroeconomic headwinds and high inventory levels in key importing countries.

OPERATING PERFORMANCE – PASSENGER SEGMENT

	2022/23	2021/22	% Change	
Passengers carried (thousand)	18,155	3,388	+ 435.9	
Revenue passenger-km (million)	91,025.2	19,177.7	+ 374.6	
Available seat-km (million)	106,099.3	58,748.1	+ 80.6	
Passenger load factor (%)	85.8	32.6	+ 53.2	points
Passenger yield (¢/pkm)	12.7	13.1	- 3.1	
Revenue per available seat-km (¢/ask)	10.9	4.3	+ 153.5	
Passenger unit cost (¢/ask)	9.8	8.0	+ 22.5	

Strong travel demand saw a close to five-fold increase in passenger traffic amidst an 80.6% capacity injection, delivering a record high PLF of 85.8% and a record high RASK of 10.9¢/ask.

CAPACITY, PASSENGER TRAFFIC AND LOAD FACTOR



Financial Review (Continued)

Performance of the Full-service Carrier (Continued)

OPERATING PERFORMANCE – PASSENGER SEGMENT (CONTINUED)

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

	By Route Region ^{R3} (2022/23 against 2021/22)			
	Passengers Carried Change (thousand)	Revenue Passenger-KM % Change	Available Seat-KM % Change	
East Asia	+ 6,017	+ 554.6	+ 85.7	
The Americas	+ 1,378	+ 352.6	+ 129.1	
Europe	+ 1,648	+ 229.0	+ 33.5	
South West Pacific	+ 3,037	+ 498.4	+ 68.7	
West Asia and Africa	+ 2,687	+ 514.9	+ 180.5	
Systemwide	+ 14,767	+ 374.6	+ 80.6	

Passenger load factor by route region was as follows:

	Passenger Load Factor (%)		
	2022/23	2021/22	% points Change
East Asia	77.5	22.0	+ 55.5
The Americas	85.0	43.0	+ 42.0
Europe	89.1	36.2	+ 52.9
South West Pacific	91.0	25.7	+ 65.3
West Asia and Africa	84.4	38.5	+ 45.9
Systemwide	85.8	32.6	+ 53.2

The FSC's passenger flown revenue increased in 2022/23, as a result of:

	\$ million	\$ million
374.6% increase in passenger traffic		+ 9,402.8
3.1% decrease in passenger yield:		
Local currency yields	+ 548.0	
Change in passenger mix	- 474.6	
Foreign exchange	- 455.8	- 382.4
Increase in passenger flown revenue		+ 9,020.4

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

	\$ million
1.0%-point change in passenger load factor, if yield and capacity remain constant	134.4
1.0% change in passenger yield, if passenger traffic remains constant	115.3

^{R3} Each route region comprises routes originating from Singapore to final destinations in countries and territories within the region concerned and vice versa. East Asia covers Brunei, Cambodia, Hong Kong SAR, Indonesia, Japan, Malaysia, Myanmar, the People's Republic of China, the Philippines, South Korea, Thailand, Taiwan and Vietnam. The Americas denotes Canada and the USA. Europe consists of Denmark, England, France, Germany, Italy, Russia, Spain, Switzerland, the Netherlands and Turkey. South West Pacific covers Australia and New Zealand. West Asia and Africa are made up of Bangladesh, India, the Maldives, Nepal, South Africa, Sri Lanka and the United Arab Emirates.

OPERATING PERFORMANCE – PASSENGER SEGMENT (CONTINUED)

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

	By Route Region (\$ million)				By Area of Original Sale ^{R4} (\$ million)			
	2022/23	2021/22	%	Change	2022/23	2021/22	%	Change
East Asia	2,678.3	457.8	+	485.0	5,163.8	1,247.8	+	313.8
The Americas	2,366.3	536.6	+	341.0	1,239.3	478.3	+	159.1
Europe	2,609.0	810.1	+	222.1	1,903.5	375.9	+	406.4
South West Pacific	2,422.6	458.6	+	428.3	2,211.0	243.2	+	809.1
West Asia and Africa	1,454.0	246.7	+	489.4	1,012.6	164.6	+	515.2
Systemwide	11,530.2	2,509.8	+	359.4	11,530.2	2,509.8	+	359.4

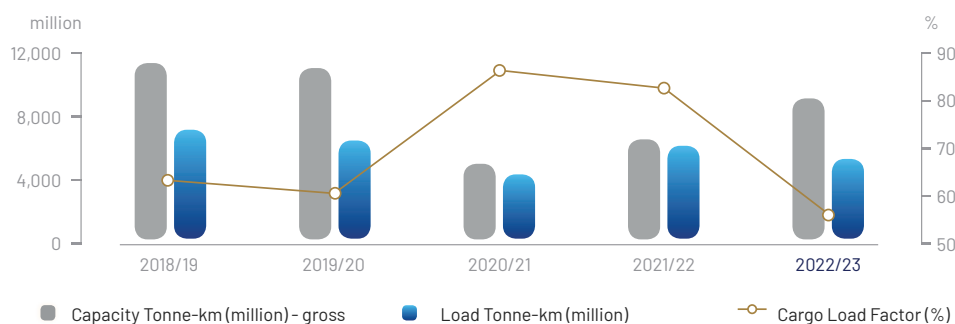
OPERATING PERFORMANCE – CARGO SEGMENT

	2022/23	2021/22	%	Change
Cargo and mail carried (million kg)	923.0	1,046.0	-	11.8
Cargo load tonne-km (million)	5,260.8	5,941.0	-	11.4
Cargo capacity tonne-km (million) – gross	9,165.4	7,195.3	+	27.4
Cargo load factor (%)	57.4	82.6	-	25.2 points
Cargo yield (¢/ltk)	68.5	73.0	-	6.2
Cargo unit cost (¢/ctk)	24.9	27.2	-	8.5

Cargo loads carried fell 11.4% in the face of weaker cargo demand. This was further exacerbated by the downward moderation of elevated yields experienced during the industry capacity crunch and supply chain disruptions last year.

Cargo load factor slipped 25.2% points year-on-year, as loads carried declined 11.4% against a 27.4% expansion in capacity, driven by the increase in bellyhold capacity with the resumption of more passenger flights. Nonetheless, cargo revenue remained 82.9% above pre-Covid levels.

CAPACITY, LOADS CARRIED AND LOAD FACTOR



^{R4} Each area of original sale comprises countries and territories within a region from which the sale is made.

Financial Review (Continued)

Performance of the Full-Service Carrier (Continued)

OPERATING PERFORMANCE – CARGO SEGMENT (CONTINUED)

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

	By Route Region (2022/23 against 2021/22)			
	Loads Carried KG Change (million)	Load Tonne-KM % Change	Capacity Tonne-KM % Change	
East Asia	- 60.2	- 16.0	+ 29.2	
The Americas	- 10.8	- 11.3	+ 25.5	
Europe	- 13.2	- 7.0	+ 17.9	
South West Pacific	- 27.8	- 16.0	+ 32.7	
West Asia and Africa	- 11.0	- 5.5	+ 49.8	
Systemwide	- 123.0	- 11.4	+ 27.4	

Cargo load factor^{R5} by route region was as follows:

	Cargo Load Factor (%)		
	2022/23	2021/22	% points Change
East Asia	59.5	91.5	- 32.0
The Americas	56.6	80.1	- 23.5
Europe	65.0	82.4	- 17.4
South West Pacific	45.1	71.2	- 26.1
West Asia and Africa	62.0	98.4	- 36.4
Systemwide	57.4	82.6	- 25.2

The FSC's cargo and mail revenue decreased in 2022/23, as a result of:

	\$ million	\$ million
11.4% decrease in loads carried	-	496.8
6.2% decrease in cargo yield:		
Local currency yields	- 114.9	
Foreign exchange	- 123.9	- 238.8
Decrease in cargo and mail revenue	-	735.6

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

	\$ million
1.0%-point change in cargo load factor, if yield and capacity remain constant	62.8
1.0% change in cargo yield, if loads carried remains constant	36.0

^{R5} Cargo capacity for passenger aircraft is based on the payload that is typically set aside for cargo carriage. However, when a passenger aircraft operates with low passenger loads or on a pure cargo mission, the cargo carried could be in excess of such capacity.

OPERATING PERFORMANCE – CARGO SEGMENT (CONTINUED)

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

	By Route Region (\$ million)				By Area of Original Sale ^{R6} (\$ million)			
	2022/23	2021/22	%	Change	2022/23	2021/22	%	Change
East Asia	1,004.0	1,217.1	-	17.5	2,318.7	2,952.4	-	21.5
Americas	570.2	783.7	-	27.2	164.7	181.2	-	9.1
Europe	925.6	1,056.7	-	12.4	682.2	657.8	+	3.7
South West Pacific	773.7	899.0	-	13.9	224.3	286.6	-	21.7
West Asia and Africa	330.3	382.9	-	13.7	213.9	261.4	-	18.2
Systemwide	3,603.8	4,339.4	-	17.0	3,603.8	4,339.4	-	17.0

EXPENDITURE

The FSC's expenditure climbed 80.9% to \$12,988.9 million in 2022/23.

	2022/23		2021/22		Change	
	\$ million	%	\$ million	%	%	\$ million
Fuel costs	4,629.4	35.6	2,039.8	28.4	+	127.0
Fuel hedging ineffectiveness	(0.9)	-	(60.9)	(0.9)	-	98.5
Staff costs	2,359.7	18.2	1,086.5	15.1	+	117.2
Depreciation	1,696.9	13.1	1,658.3	23.1	+	2.3
Handling charges	1,045.1	8.1	732.3	10.2	+	42.7
Aircraft maintenance and overhaul costs	434.5	3.3	372.6	5.2	+	16.6
In-flight meals and other passenger costs	549.6	4.2	142.7	2.0		n.m.
Airport and overflying charges	560.4	4.3	414.3	5.8	+	35.3
Sales costs	725.9	5.6	205.4	2.9		n.m.
Communications and information technology costs	122.9	0.9	119.4	1.7	+	2.9
Other costs	865.4	6.7	469.6	6.5	+	84.3
Total	12,988.9	100.0	7,180.0	100.0	+	80.9

n.m. - not meaningful

A breakdown of fuel costs is shown below:

	2022/23 \$ million	2021/22 \$ million		Change \$ million
Fuel costs (before hedging)	5,267.2	2,236.1	+	3,031.1
Fuel hedging gains	(637.8)	(196.3)	-	441.5
	4,629.4	2,039.8	+	2,589.6

Expenditure on fuel before hedging was \$3,031 million higher because of:

		\$ million
50.3% increase in weighted average fuel price from 90.2 USD/BBL to 135.6 USD/BBL	+	1,733.7
53.8% increase in volume uplifted from 18.4 million BBL to 28.3 million BBL	+	1,198.3
Stronger USD against SGD	+	99.1
	+	3,031.1

^{R6} Each area of original sale comprises countries and territories within a region from which the sale is made.

Financial Review (Continued)

Performance of the Full-Service Carrier (Continued)

EXPENDITURE (CONTINUED)

Staff costs increased \$1,273 million (+117.2%) largely due to higher pay and allowances, provision for profit sharing bonus, and higher crew allowances from the increase in flying hours.

With the progressive reinstatement of passenger flights, most ex-fuel variable costs increased to support the network expansion, including sales costs (+\$521 million, n.m.), in-flight meals and other passenger costs (+\$407 million, n.m.), handling charges (+\$313 million, +42.7%) and airport and overflying charges (+\$146 million, +35.3%).

FUEL PRODUCTIVITY AND SENSITIVITY ANALYSIS

Fuel productivity of the passenger fleet, measured by load tonne-km per barrel (ltk/BBL), increased 29.2% from 363ltk/BBL to 469ltk/BBL, mainly due to the increase in load factor following strong demand for air travel in FY2022/23.

A change in fuel productivity of 1.0% would have an impact on the FSC's annual fuel costs before hedging by about \$44 million, before accounting for changes in fuel price, USD exchange rate and flying operations.

A change in the price of fuel before hedging of one US dollar per barrel affects the FSC's annual fuel cost for passenger fleet by about \$33 million, before accounting for USD exchange rate movements, and changes in volume of fuel consumed.

NET INTEREST INCOME

Net interest income was \$117 million, a swing of \$368 million from the net finance charges recorded last year, mainly due to higher interest income from the rolling over of existing SGD and USD fixed deposits and placements in offshore accounts at higher interest rates.

WRITE-BACK OF IMPAIRMENT OF AIRCRAFT

During the financial year, a write-back of \$57 million was recorded on previously impaired aircraft with updates in estimated provisions required.

DISPOSAL OF AIRCRAFT, SPARES AND SPARE ENGINES

The loss on disposal of \$9 million was primarily attributable to net loss on the part-out of two A380s during the year.

DIVIDENDS FROM SUBSIDIARY COMPANIES

Dividends from subsidiary companies were \$5 million higher than last year mainly due to higher dividends from Tradewinds Tours & Travel.

TAXATION

Tax expense was \$506 million, a reversal of \$569 million from the \$63 million tax credit last year as the FSC returned to profitability.

FUEL PRODUCTIVITY OF PASSENGER FLEET



STAFF STRENGTH AND PRODUCTIVITY

The FSC's staff strength as at 31 March 2023 was 15,504, an increase of 1,403 over the previous year. The distribution of employee strength by category and location is as follows:

	31 March		
	2023	2022	% Change
Category			
Senior staff (executives and higher-ranking officers)	2,143	1,967	+ 8.9
Technical crew	2,437	2,370	+ 2.8
Cabin crew	7,744	6,661	+ 16.3
Other ground staff	3,180	3,103	+ 2.5
	15,504	14,101	+ 9.9
Location			
Singapore	13,211	11,850	+ 11.5
East Asia	1,061	1,019	+ 4.1
Europe	446	449	- 0.7
South West Pacific	311	321	- 3.1
West Asia and Africa	323	322	+ 0.3
The Americas	152	140	+ 8.6
	15,504	14,101	+ 9.9

The FSC's average staff productivity ratios^{R7} are shown below:

	2022/23	2021/22	% Change
Capacity per employee (tonne-km)	1,357,217	915,235	+ 48.3
Revenue per employee (\$)	1,053,172	486,583	+ 116.4
Value added per employee (\$)	481,159	191,044	+ 151.9

^{R7} The FSC's staff productivity ratios were computed based on average staff strength of 14,803 in 2022/23 (2021/22: 14,526).

Financial Review (Continued)

Performance of the Subsidiary Companies

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

SIA ENGINEERING

	2022/23 \$ million	2021/22 \$ million	% Change
Total revenue	796.0	566.1	+ 40.6
Total expenditure	822.3	587.9	+ 39.9
Operating loss	(26.3)	(21.8)	- 20.6
Net profit	66.4	67.6	- 1.8

The SIAEC Group posted a revenue of \$796 million for the financial year ended 31 March 2023, an increase of 40.6% year-on-year as maintenance and overhaul demand picked up with the industry's recovery in flight activities. Expenditure rose 39.9%, mainly due to the progressive step down of government wage support, higher manpower costs from increase in headcount and cessation of manpower cost mitigation measures, as well as higher material costs. Consequently, SIAEC Group incurred an operating loss of \$26 million, a slight deterioration from last year's loss of \$22 million.

Share of profits from associated and joint venture companies was almost flat at \$78 million (-1.6%) as the absence of last year's one-time write-back of tax provisions by certain associated companies was almost entirely offset by higher work volume from the recovery in demand in the engine and component segment.

Net profit for the financial year slipped marginally to \$66 million. This was mainly due to lower tax credit from a reduction in unabsorbed tax losses and capital allowances (-\$18 million), as well as higher operating losses (-\$4 million). These were partially offset by higher interest income (+\$11 million) and a write-back against last year's impairment of base maintenance assets (+\$10 million).

Basic earnings per share was 5.91 cent for the current financial year.

SCOOT

	2022/23 \$ million	2021/22 \$ million	% Change
Total revenue	1,965.0	432.9	n.m.
Total expenditure	1,816.9	886.5	+ 105.0
Operating profit/(loss)	148.1	(453.6)	n.m.
Profit/(Loss) after taxation	43.5	(477.5)	n.m.

Scoot achieved a record operating profit of \$148 million, a swing of \$602 million from the operating loss last year as revenue more than quadrupled against a doubling of expenditure incurred to support the expanded operations (+105.0%).

Revenue growth of \$1,532 million for the year was primarily due to a surge in demand for air travel after border restrictions eased across many key markets. This led to a passenger load factor of 83.9% for the year, an improvement of 68.8% points from last year.

Expenditure rose \$930 million (+105.0%), mainly due to higher variable costs and staff cost from the restoration of capacity, as well as higher depreciation from new aircraft.

Scoot delivered a record profit after tax of \$44 million, a \$521 million turnaround from the loss last year, primarily due to its return to operating profit (+\$602 million), partially offset by higher interest expense (-\$66 million).

Financial Report

FINANCIAL CONTENT

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Directors' Statement

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

In our opinion:

- (a) the financial statements set out on pages 109 to 209 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 March 2023, and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

1 Directors of the Company

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

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

2 Arrangements to Enable Directors to Acquire Shares and Debentures

Except as disclosed under "Directors' Interests in Shares, Share Options and Debentures" and "Equity Compensation Plans of the Company" in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or share options in, or debentures of, the Company or any other body corporate.

3 Directors' Interests in Shares, Share Options and Debentures

The following Directors who held office at the end of the financial year had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, interests in the following shares, share options, awards and debentures of the Company, and of related corporations, etc..

Name of Director	Direct interest		Deemed interest	
	1 April 2022	31 March 2023	1 April 2022	31 March 2023
Interest in Singapore Airlines Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	157,200	186,200	-	-
Goh Choon Phong	3,408,955	3,806,779	-	-
Gautam Banerjee	44,850	52,550	-	-
Simon Cheong Sae Peng	40,175	46,875	-	-

Directors' Statement

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

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

Directors' Statement

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

Name of Director	Direct interest		Deemed interest	
	1 April 2022	31 March 2023	1 April 2022	31 March 2023
Interest in CapitaLand India Trust (formerly known as Ascendas India Trust)				
<u>Units</u>				
Gautam Banerjee	120,000	120,000	-	-
Interest in CapitaLand Integrated Commercial Trust				
<u>Units</u>				
Peter Seah Lim Huat	250,751	250,751	-	-
Goh Choon Phong	10,237	10,237	-	-
Gautam Banerjee	120,000	120,000	-	-
Goh Swee Chen	6,451	6,451	773*	-
Jeanette Wong Kai Yuan	-	-	2,320*	-
Interest in CapitaLand Investment Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	392,928	392,928	-	-
Goh Choon Phong	35,000	35,000	-	-
Goh Swee Chen	41,709	41,709	5,000*	-
Jeanette Wong Kai Yuan	-	-	15,000*	15,000*
<u>\$400 million 3.33% Fixed Rate Senior Notes due 2027</u>				
Goh Choon Phong	-	\$250,000	-	-
Interest in CapitaLand Treasury Limited				
<u>\$500 million 3.08% Notes due 2027</u>				
Yeoh Oon Jin	\$250,000	\$250,000	-	-
Interest in Olam Group Limited (formerly issued under Olam International Limited)*				
<u>\$600 million 4.00% Notes due 2026</u>				
Yeoh Oon Jin	\$250,000	\$250,000*	-	-
Interest in Mapletree Industrial Trust				
<u>Units</u>				
Simon Cheong Sae Peng	-	-	91,252 [#]	93,941 [#]
Interest in Mapletree North Asia Commercial Trust^{^^}				
<u>Units</u>				
Simon Cheong Sae Peng	500,000	- ^{^^}	805,494 ^{**}	- ^{^^}
Interest in Mapletree Global Student Accommodation Private Trust				
<u>Units in Class A (USD)</u>				
Goh Choon Phong	4,823	4,823	-	-
<u>Units in Class B (GBP)</u>				
Goh Choon Phong	4,823	4,823	-	-
Interest in SembCorp Marine Limited[@]				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	6,001,792	- [@]	-	-

Directors' Statement

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

Name of Director	Direct interest		Deemed interest	
	1 April 2022	31 March 2023	1 April 2022	31 March 2023
Interest in Singapore Technologies Engineering Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	545,325	545,325	-	-
Goh Choon Phong	6,000	6,000	-	-
Interest in Singapore Telecommunications Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	1,667	1,667	1,550*	1,550*
Goh Choon Phong	1,610	1,610	-	-
Goh Swee Chen	-	-	5,000*	5,000*
Hsieh Tsun-yan	-	-	47,000*	47,000*
Lee Kim Shin	190	190	-	-
Jeanette Wong Kai Yuan	17,821	17,821	-	-
Interest in StarHub Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	308,992	308,992	300,000*	300,000*
Interest in Telechoice International Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	50,000	50,000	-	-

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

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

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

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

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

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

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

Notes:

- The actual number of Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over the one-year performance periods relating to the relevant awards.
- The actual number of Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the three-year performance periods relating to the relevant awards.
- The Awards of fully paid ordinary shares will vest over two years with 50% vesting immediately upon the date of the grant of the award, and the balance at 25% over the next two years. On the final vesting date, an additional equity kicker equivalent to 20% of the Final Award will be settled with the participants.

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

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

Directors' Statement

4 Equity Compensation Plans of the Company

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

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

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

RSP and PSP

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

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

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

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

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

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

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

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

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

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

Directors' Statement

4 Equity Compensation Plans of the Company (continued)

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

1. RSP Share Awards Granted to Non-Executive Directors

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

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

2. RSP Base Awards

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

3. RSP Final Awards (Pending Release)^{R1}

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

4. PSP Base Awards^{R2}

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

Directors' Statement

4 Equity Compensation Plans of the Company (continued)

5. Strategic RSP ("SSA")

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

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

(a) SSA Base Awards

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

(b) SSA Final Awards (Pending Release)^{R3}

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

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

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

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

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

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

5 Equity Compensation Plans of Subsidiary

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

SIA Engineering Company Limited ("SIAEC")

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

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

Directors' Statement

6 Audit Committee

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

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

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

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

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

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

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

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

Directors' Statement

7 Auditors

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

On behalf of the Board,

PETER SEAH LIM HUAT
Chairman

GOH CHOON PHONG
Chief Executive Officer

Dated this 16th day of May 2023

Independent Auditors' Report

To The Members Of Singapore Airlines Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Airlines Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2023, the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 109 to 209.

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

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

To The Members Of Singapore Airlines Limited

Accounting for the carrying values of aircraft and related assets

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

The key audit matter	How the matter was addressed in our audit
The carrying value of aircraft and related assets of the Low-Cost Carrier ("LCC") CGU amounted to \$1.7 billion as at 31 March 2023 and the accounting has a material impact on the Group due to the significant value and long-lived nature of these assets. As a result of the slow recovery in traffic in Scoot's certain key markets, there remains a higher degree of estimation uncertainty inherent in estimating the recovery rate of the LCC CGU. The increasing interest rate environment is also expected to have an impact on the LCC's discount rate. As a result, Management concluded that there was an indication of impairment on the LCC CGU. The recoverable amount of the LCC CGU was estimated based on their value-in-use calculations. There is inherent uncertainty involved in forecasting and discounting future cashflows. The significant estimates and assumptions include future revenue (yield and load factor), terminal growth rate, and discount rate for the LCC CGU. As a result of the high degree of estimation uncertainty and significant judgement involved, this is a key area of focus for our audit.	We assessed the appropriateness of Management's allocation of aircraft and related assets to the LCC CGU. We discussed impairment indicators with Management. Also, we held discussions with senior management to understand the significant assumptions used in forming the estimates underpinning the assessment of the recoverable amount of the LCC CGU. These significant assumptions include yield, load factor, terminal growth rate and discount rate. We challenged these estimates based on our knowledge of the business, the aviation industry and our observation of post pandemic industry trend. We corroborated our knowledge and understanding by reading publicly available aviation industry reports. We assessed if the methodology adopted by Management is reasonable and in accordance with relevant accounting policies. We involved our internal valuation specialists to assess the discount rate adopted by management. We performed sensitivity analyses for the LCC CGU over significant inputs, being yield, load factor, terminal growth rate and discount rate used in estimating value-in-use of the LCC CGU. We checked the arithmetical accuracy of the computations used in assessing the recoverable amounts of the LCC CGU.

Findings

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

Independent Auditors' Report

To The Members Of Singapore Airlines Limited

Accuracy of passenger and cargo revenues

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

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

Findings

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

Independent Auditors' Report

To The Members Of Singapore Airlines Limited

Other Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have obtained the Mission Statement, Statistical Highlights, Financial Highlights, Financial Review, Interested Person Transactions, Quarterly results of the Group, Five-Year Financial Summary, Ten-Year Statistical Record, Group Fleet Profile, Group Corporate Structure, Share Price and Turnover (the "Reports") prior to the date of this auditors' report. The remaining other information contained in the annual report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report

To The Members Of Singapore Airlines Limited

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Ang Fung Fung.

KPMG LLP

Public Accountants and
Chartered Accountants

Dated this 16th day of May 2023
Singapore

Consolidated Profit and Loss Account

For the Financial Year ended 31 March 2023 (in \$ Million)

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

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

Consolidated Statement of Comprehensive Income

For the Financial Year ended 31 March 2023 (in \$ Million)

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

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

Statements of Financial Position

As At 31 March 2023 (in \$ Million)

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

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

Statements of Changes in Equity

For the Financial Year ended 31 March 2023 (in \$ Million)

The Group

	Notes	Share capital	Mandatory convertible bonds	Treasury shares
Balance at 1 April 2022		7,180.2	9,691.2	(106.5)
<u>Comprehensive income</u>				
Currency translation differences	16(b)	-	-	-
Net fair value changes on cash flow hedges	16(d)	-	-	-
Actuarial gain on revaluation of defined benefit plans		-	-	-
Share of other comprehensive income of associated and joint venture companies		-	-	-
Other comprehensive income for the financial year, net of tax		-	-	-
Profit for the financial year		-	-	-
Total comprehensive income for the financial year		-	-	-
<u>Transactions with owners, recorded directly in equity</u>				
<u>Contributions by and distributions to owners</u>				
Redemption of mandatory convertible bonds		-	(3,496.1)	-
Changes in ownership interest without loss of control		-	-	-
Share-based compensation expense	5	-	-	-
Treasury shares reissued pursuant to equity compensation plans	15	-	-	32.7
Acquisition of a subsidiary company with non-controlling interests		-	-	-
Dividends	12	-	-	-
Total transactions with owners		-	(3,496.1)	32.7
Balance at 31 March 2023		7,180.2	6,195.1	(73.8)

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

Attributable to owners of the Company							
Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non-controlling interests	Total equity
(107.3)	(16.2)	20.7	1,076.2	4,673.6	22,411.9	388.5	22,800.4
-	(11.7)	-	-	-	(11.7)	(4.0)	(15.7)
-	-	-	(573.1)	-	(573.1)	-	(573.1)
-	-	-	-	5.2	5.2	-	5.2
7.4	(4.5)	-	3.8	-	6.7	1.0	7.7
7.4	(16.2)	-	(569.3)	5.2	(572.9)	(3.0)	(575.9)
-	-	-	-	2,156.8	2,156.8	6.5	2,163.3
7.4	(16.2)	-	(569.3)	2,162.0	1,583.9	3.5	1,587.4
-	-	-	-	(363.9)	(3,860.0)	-	(3,860.0)
-	-	(3.8)	-	(0.6)	(4.4)	(0.1)	(4.5)
-	-	23.5	-	-	23.5	-	23.5
(16.1)	-	(16.1)	-	-	0.5	-	0.5
-	-	-	-	-	-	1.2	1.2
-	-	-	-	(297.1)	(297.1)	(1.6)	(298.7)
(16.1)	-	3.6	-	(661.6)	(4,137.5)	(0.5)	(4,138.0)
(116.0)	(32.4)	24.3	506.9	6,174.0	19,858.3	391.5	20,249.8

Statements of Changes in Equity

For the Financial Year ended 31 March 2023 (in \$ Million)

The Group

	Notes	Share capital	Mandatory convertible bonds	Treasury shares
Balance at 1 April 2021		7,180.2	3,496.1	(133.2)
<u>Comprehensive income</u>				
Currency translation differences	16(b)	-	-	-
Net fair value changes on cash flow hedges	16(d)	-	-	-
Actuarial gain on revaluation of defined benefit plans		-	-	-
Share of other comprehensive income of associated and joint venture companies		-	-	-
Other comprehensive income for the financial year, net of tax		-	-	-
(Loss)/Profit for the financial year		-	-	-
Total comprehensive income for the financial year		-	-	-
<u>Transactions with owners, recorded directly in equity</u>				
<u>Contributions by and distributions to owners</u>				
Issue of mandatory convertible bonds		-	6,195.1	-
Changes in ownership interest without loss of control		-	-	-
Share-based compensation expense	5	-	-	-
Treasury shares reissued pursuant to equity compensation plans	15	-	-	26.7
Dividends	12	-	-	-
Total transactions with owners		-	6,195.1	26.7
Balance at 31 March 2022		7,180.2	9,691.2	(106.5)

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

Attributable to owners of the Company						Non-controlling interests	Total equity
Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total		
(96.8)	(16.9)	20.8	(178.6)	5,634.3	15,905.9	372.2	16,278.1
-	0.7	-	-	-	0.7	1.0	1.7
-	-	-	1,253.3	-	1,253.3	-	1,253.3
-	-	-	-	0.2	0.2	-	0.2
1.2	-	-	1.5	-	2.7	0.4	3.1
1.2	0.7	-	1,254.8	0.2	1,256.9	1.4	1,258.3
-	-	-	-	(962.0)	(962.0)	13.9	(948.1)
1.2	0.7	-	1,254.8	(961.8)	294.9	15.3	310.2
-	-	-	-	-	6,195.1	-	6,195.1
-	-	(2.5)	-	1.1	(1.4)	2.4	1.0
-	-	17.0	-	-	17.0	-	17.0
(11.7)	-	(14.6)	-	-	0.4	-	0.4
-	-	-	-	-	-	(1.4)	(1.4)
(11.7)	-	(0.1)	-	1.1	6,211.1	1.0	6,212.1
(107.3)	(16.2)	20.7	1,076.2	4,673.6	22,411.9	388.5	22,800.4

Statements of Changes in Equity

For the Financial Year ended 31 March 2023 (in \$ Million)

The Company

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

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

Statements of Changes in Equity

For the Financial Year ended 31 March 2023 (in \$ Million)

The Company

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

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

Consolidated Statement of Cash Flows

For the Financial Year ended 31 March 2023 (in \$ Million)

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

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

Consolidated Statement of Cash Flows

For the Financial Year ended 31 March 2023 (in \$ Million)

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

Significant non-cash transactions

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

1 General

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

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

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

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

The financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 16 May 2023.

2 Summary of Significant Accounting Policies

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

(a) Basis of preparation

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

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

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

(b) Changes in accounting policies

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

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

(c) Standards issued but not yet effective

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(d) Basis of consolidation

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

Any excess of the total of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable net assets is recorded as goodwill. The accounting policy for goodwill is set out in note 2(f)(iv).

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

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

The Group elects for each separate business combination, whether the non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

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

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

Common control transactions

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

(e) Subsidiary, associated and joint venture companies

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

A subsidiary company is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiary companies are included in the consolidated financial statements from the date the control commences until the date the control ceases.

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

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

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

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

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

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

The most recently available audited financial statements of the associated and joint venture companies are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period where provided by the associate or joint venture. Otherwise, an estimate is made for the balances to the end of the accounting period based on historical experience and adjusted for the effects of known significant transactions. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon the loss of significant influence or joint control over the associated or joint venture company, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

(f) Intangible assets

(i) Computer software

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

(ii) Deferred engine development cost

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

(iii) Brand and trademarks

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(f) Intangible assets (continued)

(iv) Goodwill

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

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

(v) Other intangible assets

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

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

(vi) Carbon credits

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

(vii) Subsequent expenditure

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

(viii) Amortisation

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

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

- Computer software 1 – 10 years

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

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

(g) Foreign currencies

Foreign currency transactions

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(g) Foreign currencies (continued)

Foreign currency transactions (continued)

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

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

Foreign operations

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

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

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

(h) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Depreciation of property, plant and equipment

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

Freehold land, advance and progress payments are not depreciated.

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(h) Property, plant and equipment (continued)

(ii) Depreciation of property, plant and equipment (continued)

The estimated useful lives and residual values are as follows:

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

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

(i) Leases

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a Lessee

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

ROU asset

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(i) Leases (continued)

(i) As a Lessee (continued)

Lease liability

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

Lease payments include the following:

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if there is a change in the Group's estimate of the residual value guarantees, extension or termination options, or there is a revision to an in-substance fixed payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

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

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

Short-term leases and leases of low value assets

The Group has elected not to recognise ROU assets and lease liabilities for leases of low value and short term aircraft and engine leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a Lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(i) Leases (continued)

(ii) As a Lessor (continued)

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

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

(j) Inventories

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

(k) Financial instruments

(i) Recognition and initial measurement

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

(ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

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

In addition, on initial recognition, the Group may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVOCI, to be measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Group's Management;
- The risks that affect the performance of the business model and how those risks are managed;
- How managers of the portfolio are compensated; and
- The frequency, volume and timing of disposals in prior periods, the reasons for such disposals and its expectations about future activity.

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

For assessment purposes, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

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

Reclassifications

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

Financial liabilities

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

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

Financial liabilities

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

Interest rate benchmark reform

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

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

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

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(v) Impairment

Expected credit loss

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

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

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

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

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

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

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

Credit-impaired financial assets

At each reporting date, the Group assesses whether non-equity financial assets that are carried at amortised cost or FVOCI are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(vi) Derivative financial instruments and hedge accounting

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

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

Designation of hedges

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

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

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

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

Cash flow hedges

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

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

Fair value hedges

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

(vii) Compound financial instruments

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(l) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Where the carrying amount of an asset or its related CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For non-financial assets excluding goodwill and those with indefinite lives, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit and loss account unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(m) Loans, notes payable and borrowings

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

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

(n) Trade and other creditors

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

(o) Provisions

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

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

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

(p) Share capital and share issuance expenses

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(q) Mandatory convertible bonds ("MCBs")

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

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

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

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

(r) Treasury shares

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

(s) Taxation

(i) Current income tax

Tax recoverable and tax liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to, respectively, the tax authorities using tax rates enacted or substantively enacted at balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

(ii) Deferred tax

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(s) Taxation (continued)

(ii) Deferred tax (continued)

Deferred tax assets and liabilities are not recognised for:

- Temporary differences on the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Temporary differences associated with investments in subsidiary, associated and joint venture companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that they will not reverse in the foreseeable future.

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilised.

Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

(t) Revenue

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

(i) Passenger, cargo and mail

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(t) Revenue (continued)

(ii) Engineering services

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

(iii) KrisFlyer

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

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

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

(iv) Others

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

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

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

(u) Government grants

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

(v) Income from investments

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

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

(w) Employee benefits

(i) Equity compensation plans

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(w) Employee benefits (continued)

(i) Equity compensation plans (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The share-based compensation reserve is transferred to general reserve upon cancellation or expiry of the vested awards. When the awards are released, the share-based compensation reserve is transferred to share capital if new shares are issued, or to treasury shares if the awards are satisfied by the reissuance of treasury shares.

(ii) Defined benefit plans

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

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

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

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

(iii) Defined contribution plans

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

(iv) Short-term employee benefits

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

(x) Aircraft maintenance and overhaul costs

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

(y) Borrowing costs

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

2 Summary of Significant Accounting Policies (continued)

(z) Segment reporting

(i) Business segment

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

(ii) Geographical segment

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

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

(aa) Earnings per share

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

3 Significant Accounting Estimates and Critical Judgements

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

3 Significant Accounting Estimates and Critical Judgements (continued)

(c) Passenger revenue recognition

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

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

(d) Frequent flyer programme

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

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

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

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

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

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

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

(f) Provision for lease return costs

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

4 Segment Information (in \$ million)

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

- (i) The Full-Service Carrier ("FSC") segment provides passenger and cargo air transportation under the Singapore Airlines brand with a focus on full-service passenger segment.
- (ii) The Low-Cost Carrier ("LCC") segment provides passenger air transportation under the Scoot brand with a focus on the low-cost passenger segment.
- (iii) Engineering services segment provides airframe maintenance and overhaul services, line maintenance, technical ground handling services and fleet management. It also manufactures aircraft cabin equipment, refurbishes aircraft galleys, provides technical and non-technical handling services and repair and overhaul of hydro-mechanical aircraft equipment.

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

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

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

Business segments

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

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

* Relates to inter-segment transactions eliminated on consolidation.

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

4 Segment Information (in \$ million) (continued)

Business segments (continued)

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

* Relates to inter-segment transactions eliminated on consolidation.

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

4 Segment Information (in \$ million) (continued)

Business segments (continued)

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

* Relates to inter-segment transactions eliminated on consolidation.

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

4 Segment Information (in \$ million) (continued)

Business segments (continued)

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

* Relates to inter-segment transactions eliminated on consolidation.

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

4 Segment Information (in \$ million) (continued)

Geographical segments

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

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

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

5 Staff Costs (in \$ million)

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

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

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

Share-based compensation arrangements

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

5 Staff Costs (in \$ million) (continued)

Share-based compensation arrangements (continued)

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

5 Staff Costs (in \$ million) (continued)

Share-based compensation arrangements (continued)

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

Movement of share awards during the financial year

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

5 Staff Costs (in \$ million) (continued)

Share-based compensation arrangements (continued)

(b) Measurement of fair values

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

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

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

7 Finance Charges (in \$ million)

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

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

8 Interest Income (in \$ million)

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

9 Other Non-Operating Items (in \$ million)

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

10 Taxation (in \$ million)

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

Major components of income tax expense

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

10 Taxation (in \$ million) (continued)

Deferred taxation related to other comprehensive income:

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

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

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

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

Global minimum tax

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

11 Earnings/(Loss) Per Share

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

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

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

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

12 Dividends Paid and Proposed (in \$ million)

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

13 Share Capital (in \$ million)

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

The value is \$0.50

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

14 Mandatory Convertible Bonds (in \$ million)

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

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

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

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

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

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

15 Treasury Shares (in \$ million)

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

16 Other Reserves (in \$ million)

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

(a) Capital reserve

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

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

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Share-based compensation reserve

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

(d) Fair value reserve

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

Breakdown of the fair value reserves is as follows:

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

16 Other Reserves (in \$ million) (continued)

(d) Fair value reserve (continued)

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

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

(e) General reserve

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

17 Deferred Taxation (in \$ million)

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

17 Deferred Taxation (in \$ million) (continued)

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

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

18 Borrowings (in \$ million)

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

Notes payable

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

18 Borrowings (in \$ million) (continued)

Loans

The Group

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

18 Borrowings (in \$ million) (continued)

Loans (continued)

The Company

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

18 Borrowings (in \$ million) (continued)

Convertible bonds

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

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

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

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

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

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

19 Other Long-term Liabilities (in \$ million)

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

20 Provisions (in \$ million)

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

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

An analysis of the provisions is as follows:

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

The Group

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2021	23,156.7	561.5	332.5
Additions	80.7	11.9	-
Transfers	1,348.5	0.7	12.8
Transfer to assets held for sale	(365.3)	-	(52.5)
Disposals	(1,513.7)	(12.4)	-
Write-off	(2.6)	-	-
Exchange differences	10.6	-	-
At 31 March 2022	22,714.9	561.7	292.8
Additions	193.7	63.7	13.5
Transfers	1,512.4	0.1	(24.6)
Acquisition of a subsidiary company	-	-	-
Disposals	(1,779.3)	(11.3)	-
Exchange differences	(28.0)	(0.1)	-
At 31 March 2023	22,613.7	614.1	281.7
Accumulated depreciation and impairment losses			
At 1 April 2021	6,454.4	360.9	196.9
Depreciation	1,343.1	17.0	19.4
Impairment losses	38.0	-	-
Transfers	(1.5)	-	1.5
Transfer to assets held for sale	(231.6)	-	(46.7)
Disposals	(597.7)	(11.0)	-
Write-off	(2.6)	-	-
Exchange differences	-	-	-
At 31 March 2022	7,002.1	366.9	171.1
Depreciation	1,370.8	21.0	18.8
Transfers	16.1	-	(16.1)
Acquisition of a subsidiary company	-	-	-
Disposals	(579.9)	(4.8)	-
Exchange differences	-	(0.1)	-
At 31 March 2023	7,809.1	383.0	173.8
Net book value			
At 31 March 2022	15,712.8	194.8	121.7
At 31 March 2023	14,804.6	231.1	107.9

Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
15.7	135.4	630.7	761.8	359.8	6,455.7	32,409.8
-	-	0.1	5.8	11.5	3,527.1	3,637.1
-	-	4.2	3.9	1.2	(1,371.3)	-
-	-	-	-	-	-	(417.8)
-	-	-	(8.3)	(5.9)	-	(1,540.3)
-	-	-	-	-	-	(2.6)
-	-	0.2	0.2	-	-	11.0
15.7	135.4	635.2	763.4	366.6	8,611.5	34,097.2
-	-	1.0	8.6	4.0	1,710.3	1,994.8
-	-	-	0.5	9.4	(1,497.8)	-
-	-	-	6.2	0.4	-	6.6
-	-	-	(48.5)	(10.8)	(7.5)	(1,857.4)
-	-	(0.8)	(1.0)	(0.1)	-	(30.0)
15.7	135.4	635.4	729.2	369.5	8,816.5	34,211.2
-	130.3	531.6	558.7	305.5	388.2	8,926.5
-	2.9	9.8	53.2	18.7	-	1,464.1
-	-	-	1.0	-	-	39.0
-	-	-	1.1	(1.1)	-	-
-	-	-	-	-	-	(278.3)
-	-	-	(8.0)	(5.6)	-	(622.3)
-	-	-	-	-	-	(2.6)
-	-	0.1	0.1	-	-	0.2
-	133.2	541.5	606.1	317.5	388.2	9,526.6
-	2.0	9.9	49.5	18.8	-	1,490.8
-	-	-	-	-	-	-
-	-	-	5.8	0.3	-	6.1
-	-	-	(48.5)	(10.3)	-	(643.5)
-	-	(0.3)	(0.8)	(0.1)	-	(1.3)
-	135.2	551.1	612.1	326.2	388.2	10,378.7
15.7	2.2	93.7	157.3	49.1	8,223.3	24,570.6
15.7	0.2	84.3	117.1	43.3	8,428.3	23,832.5

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

The Company

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2021	18,809.2	421.1	110.6
Additions	80.7	9.3	-
Transfers	1,318.0	-	2.2
Transfer to assets held for sale	(32.2)	-	-
Effects of integration of SilkAir	393.1	14.2	56.7
Disposals	(1,427.2)	(2.3)	-
Exchange differences	8.8	-	-
At 31 March 2022	19,150.4	442.3	169.5
Additions	193.7	23.2	13.5
Transfers	1,421.5	-	(24.6)
Disposals	(733.0)	(11.2)	-
Exchange differences	(24.6)	-	-
At 31 March 2023	20,008.0	454.3	158.4
Accumulated depreciation and impairment losses			
At 1 April 2021	5,110.7	259.7	64.0
Depreciation	1,172.1	11.8	15.4
Impairment losses	38.0	-	-
Transfers	(1.5)	-	1.5
Transfer to assets held for sale	(14.9)	-	-
Effects of integration of SilkAir	63.4	4.1	15.2
Disposals	(511.6)	(1.0)	-
At 31 March 2022	5,856.2	274.6	96.1
Depreciation	1,219.3	14.6	14.5
Transfers	16.1	-	(16.1)
Disposals	(361.1)	(4.7)	-
At 31 March 2023	6,730.5	284.5	94.5
Net book value			
At 31 March 2022	13,294.2	167.7	73.4
At 31 March 2023	13,277.5	169.8	63.9

Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
15.7	135.4	330.1	425.3	268.0	5,300.0	25,815.4
-	-	-	2.4	10.0	3,267.0	3,369.4
-	-	-	-	0.3	(1,320.5)	-
-	-	-	-	-	-	(32.2)
-	-	-	1.8	1.4	63.2	530.4
-	-	-	(1.6)	(5.1)	-	(1,436.2)
-	-	-	-	-	-	8.8
15.7	135.4	330.1	427.9	274.6	7,309.7	28,255.6
-	-	-	4.0	2.9	1,859.6	2,096.9
-	-	-	-	3.2	(1,400.1)	-
-	-	-	(46.0)	(9.3)	-	(799.5)
-	-	-	-	-	-	(24.6)
15.7	135.4	330.1	385.9	271.4	7,769.2	29,528.4
-	130.3	321.4	263.8	229.2	388.2	6,767.3
-	2.9	1.8	38.2	12.4	-	1,254.6
-	-	-	1.0	-	-	39.0
-	-	-	-	-	-	-
-	-	-	-	-	-	(14.9)
-	-	-	1.6	1.4	-	85.7
-	-	-	(1.5)	(4.7)	-	(518.8)
-	133.2	323.2	303.1	238.3	388.2	7,612.9
-	2.0	1.5	37.5	12.4	-	1,301.8
-	-	-	-	-	-	-
-	-	-	(46.1)	(8.8)	-	(420.7)
-	135.2	324.7	294.5	241.9	388.2	8,494.0
15.7	2.2	6.9	124.8	36.3	6,921.5	20,642.7
15.7	0.2	5.4	91.4	29.5	7,381.0	21,034.4

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

Assets held as security

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

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

Write-back of impairment/Impairment of aircraft

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

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

Write-back of impairment/Impairment of base maintenance assets

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

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

Assets held for sale

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

Impairment test

Management's annual impairment assessment covers the following CGUs:

FSC CGU

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

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

LCC CGU

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

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

Sensitivity Analysis

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

The Group

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

The Company

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

Impairment testing of ROU assets

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

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

Effects of integration of SilkAir

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

23 Intangible Assets (in \$ million)

The Group

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

23 Intangible Assets (in \$ million) (continued)

The Company

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

Impairment of goodwill

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

24 Subsidiary Companies (in \$ million)

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

24 Subsidiary Companies (in \$ million) (continued)

During the financial year:

1. Budget Aviation Holdings Pte. Ltd. ("BAH") transferred its investment in Tiger Airways Holdings Pte. Ltd. ("TAH") to the Company for \$744.2 million. Subsequently, BAH reduced its share capital and returned \$755.0 million to the Company. There is no change to the Group's shareholdings in TAH and BAH.
2. SIAEC acquired 75% of the shares and voting interests in Asia Pacific Aircraft Component Services Sdn. Bhd. ("APACS"). The Group holds 58.1% effective shareholdings in APACS.
3. SIAEC invested approximately \$0.6 million in SIA Engineering Japan Corporation.
4. The Company injected approximately \$27.0 million in Encounters Pte. Ltd.
5. Tradewinds Tours & Travel Private Limited ceased operations.

(a) Composition of the Group

The subsidiary companies are:

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

24 Subsidiary Companies (in \$ million) (continued)

(a) Composition of the Group (continued)

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group	
			31 March 2023	2022
Cargo Community Network Pte Ltd⁽¹⁾ and its subsidiary	Providing and marketing of cargo community system	Singapore	51.0	51.0
Cargo Community (Shanghai) Co. Ltd. ^{(3)*}	Marketing and support of portal services for the air cargo industry	People's Republic of China	51.0	51.0
Budget Aviation Holdings Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100.0	100.0
Encounters Pte. Ltd. ⁽¹⁾	Travel booking and related services through an online portal	Singapore	100.0	100.0
Kris+ Pte. Ltd. ⁽¹⁾	Marketing, payment and related services	Singapore	100.0	100.0
SilkAir (Singapore) Private Limited ⁽¹⁾	Inactive	Singapore	100.0	100.0
Singapore Airlines Cargo Pte Ltd ⁽¹⁾	Inactive	Singapore	100.0	100.0
Singapore Aviation and General Insurance Company (Pte) Limited ⁽¹⁾	Aviation insurance	Singapore	100.0	100.0
Singapore Flying College Pte Ltd ⁽¹⁾	Training of pilots	Singapore	100.0	100.0
Sing-Bi Funds Private Limited ⁽¹⁾	Investment holding	Singapore	100.0	100.0
Tradewinds Tours & Travel Private Limited ⁽¹⁾	Tour wholesaling	Singapore	100.0	100.0
KrisShop Pte. Ltd. ⁽¹⁾	Travel-related retail operations	Singapore	70.0	70.0

⁽¹⁾ Audited by KPMG LLP, Singapore

⁽²⁾ Audited by member firms of KPMG International in the respective countries

⁽³⁾ Audited by Shanghai HDDY Certified Public Accountants Co., Ltd

⁽⁴⁾ Not required to be audited under the law in country of incorporation

⁽⁵⁾ Not required to be audited by KPMG LLP, Singapore in current year

* The company is considered a subsidiary of the Group by virtue of the management control over financial and operating policies of the company

+ Financial year end 31 December

Special purpose entities ("SPEs")

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

24 Subsidiary Companies (in \$ million) (continued)

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

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

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

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

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

Summarised statement of financial position

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

Summarised statement of comprehensive income

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

24 Subsidiary Companies (in \$ million) (continued)

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

Other summarised information

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

(d) Acquisition of a subsidiary company - APACS

FY2022/23

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

Goodwill

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

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

25 Associated Companies (in \$ million)

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

During the financial year:

1. The Company injected \$54.8 million in TATA SIA Airlines Limited ("TATA-SIA"). There was no change in the Group's 49% equity stake in TATA-SIA after the capital injection.
2. Ritz-Carlton, Millenia Singapore Properties Private Limited recorded a revaluation gain of \$36.7 million from its annual revaluation exercise of its land and building. The Group's share of the revaluation gain of \$7.4 million as at 31 March 2023 is included under the share of post-acquisition capital reserve.
3. Boeing Asia Pacific Aviation Services Pte. Ltd ("BAPAS") ceased operations amidst challenges arising from the changing business environment. Management has reassessed the recoverable amount of BAPAS based on its available cash balance for distribution to shareholders upon closure. Accordingly, SIAEC wrote back impairment losses of \$2.0 million.

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

25 Associated Companies (in \$ million) (continued)

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

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

The associated companies are:

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

25 Associated Companies (in \$ million) (continued)

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

⁽¹⁾ Audited by KPMG LLP, Singapore

⁽²⁾ Audited by PricewaterhouseCoopers LLP, Singapore

⁽³⁾ Audited by Deloitte & Touche, Singapore

⁽⁴⁾ Audited by member firms of Deloitte & Touche

⁽⁵⁾ Audited by Ernst & Young LLP, Singapore

⁽⁶⁾ Audited by RSM Chio Lim, Singapore

⁽⁷⁾ Audited by BDO Limited, Hong Kong

⁽⁸⁾ Audited by Ernst & Young LLP, Indonesia

⁽⁹⁾ Audited by Mazars LLP, Singapore

⁽¹⁰⁾ Audited by Wong, Lee & Associates LLP

⁽¹¹⁾ Audited by Grant Thornton LLP, Singapore

⁽¹²⁾ Not required to be audited

⁽¹³⁾ Not required to be audited by Deloitte & Touche, Singapore in current financial year in view of ceased operations

^(a) Financial year end 30 November

^(b) Financial year end 31 December

* The Group has significant influence in these entities through its holdings in SIAEC

** The Group has significant influence by virtue of the board representation

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

25 Associated Companies (in \$ million) (continued)

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

Summarised statement of financial position

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

Summarised statement of comprehensive income

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

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

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

Summarised statement of comprehensive income

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

26 Joint Venture Companies (in \$ million)

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

The joint venture companies are:

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

⁽¹⁾ Audited by KPMG LLP, Singapore, and financial year end of 31 December.

⁽²⁾ Audited by Deloitte & Touche Tohmatsu Jaiyos Audit Co. Ltd, Thailand, and financial year end of 31 December. Entered into liquidation on 26 June 2020.

⁽³⁾ Audited by PricewaterhouseCoopers LLP, Singapore, and financial year end of 31 March.

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

The carrying amounts of the investments are as follows:

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

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

Summarised statement of financial position

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

Summarised statement of comprehensive income

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

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

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

27 Long-Term Investments (in \$ million)

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

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

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

28 Other Long-Term Assets (in \$ million)

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

29 Inventories (in \$ million)

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

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

30 Trade Debtors (in \$ million)

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

30 Trade Debtors (in \$ million) (continued)

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

31 Deposits and Other Debtors (in \$ million)

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

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

32 Investments (in \$ million)

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

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

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

33 Cash and Bank Balances (in \$ million)

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

34 Trade and Other Creditors (in \$ million)

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

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

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

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

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

37 Capital Expenditure Commitments (in \$ million)

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

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

38 Leases (in \$ million)

(a) As lessee

Aircraft

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

38 Leases (in \$ million) (continued)

(a) As lessee (continued)

Spare engines

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

Property and equipment

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

Extension/termination options

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

(b) As lessor

Finance lease

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

39 Contingent Liabilities (in \$ million)

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

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

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

In January 2014, the Swiss Competition Commission announced a fine against SIA Cargo and the Company of CHF1.7 million (\$2.3 million) in respect of the air cargo issues. This amount was reflected as an exceptional item in the Group's accounts in FY2013/14. SIA Cargo and the Company have filed an appeal to the Swiss Federal Administrative Tribunal seeking annulment of the decision. In December 2022, the tribunal partially allowed the appeal, reducing the fine amount to CHF1.4 million (\$2.1 million). SIA and the Company filed an appeal to the Swiss Federal Supreme Court against the decision of the Swiss Federal Administrative Tribunal.

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

39 Contingent Liabilities (in \$ million) (continued)

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

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

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

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

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

(b) Passengers: Civil Class Actions

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

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

40 Financial Instruments (in \$ million)

Classification and fair values of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in note 2 describe how the classes of financial instruments are measured, and how revenue and expenses, including fair value gains and losses, are recognised. The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as per the following tables.

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

40 Financial Instruments (in \$ million) (continued)

Classification and fair values of financial instruments (continued)

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

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

* Mandatorily measured at FVTPL

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

40 Financial Instruments (in \$ million) (continued)

Classification and fair values of financial instruments (continued)

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

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

* Mandatorily measured at FVTPL

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

40 Financial Instruments (in \$ million) (continued)

Classification and fair values of financial instruments (continued)

Financial instruments carried at fair value

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

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

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

Determination of fair value

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

40 Financial Instruments (in \$ million) (continued)

Master netting or similar agreements

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

40 Financial Instruments (in \$ million) (continued)

Master netting or similar agreements (continued)

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

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

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

(a) Jet fuel price risk

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

Cash flow hedges

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

(a) Jet fuel price risk (continued)

Cash flow hedges (continued)

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

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

The table below sets out the movements for fuel hedges:

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

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

Jet fuel price sensitivity analysis

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

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

Sensitivity analysis on outstanding fuel derivative contracts:

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

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

^{R1} Sensitivity analysis on outstanding fuel hedging contracts.

^{R2} Sensitivity analysis on outstanding fuel derivative contracts which have been de-designated from a hedge relationship and fuel derivative contracts.

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

(b) Foreign currency risk

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

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

Cash flow hedges

a) Net operating and other exposures

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

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

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

b) Capital expenditure exposures

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

(b) Foreign currency risk (continued)

Cash flow hedges (continued)

b) Capital expenditure exposures (continued)

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

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Hedged deposits	101.0	422.5	91.1	411.6
	The Group FY2022/23		The Company FY2022/23	
	FY2022/23	FY2021/22	FY2022/23	FY2021/22
Change in fair value of hedging instrument	2.0	(5.3)	2.5	(6.2)
Change in fair value of hedged item	(2.0)	5.3	(2.5)	6.2

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

Fair value hedges

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

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
USD aircraft residual values	1,550.3	1,782.1	1,349.0	1,481.5
USD lease liabilities	(1,550.3)	(1,782.1)	(1,349.0)	(1,481.5)
	The Group FY2022/23		The Company FY2022/23	
	FY2022/23	FY2021/22	FY2022/23	FY2021/22
Change in fair value of hedging instrument	28.0	(14.1)	24.6	(12.3)
Change in fair value of hedged item	(28.0)	14.1	(24.6)	12.3

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

(b) Foreign currency risk (continued)

Foreign currency sensitivity analysis

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

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

Sensitivity analysis:

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

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

^{R1} Sensitivity analysis on outstanding foreign currency hedging contracts and fuel hedging contracts denominated in foreign currency.

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

(c) Interest rate risk

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

Cash flow hedges

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

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

Interest rate sensitivity analysis

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

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

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

Sensitivity analysis:

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

(c) Interest rate risk (continued)

Sensitivity analysis: (continued)

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

^{R1} Sensitivity analysis on derivative financial instruments.

^{R2} Sensitivity analysis on variable rate assets and liabilities.

Managing interest rate benchmark reform and associated risks

Overview

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

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

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

Non-derivative financial assets

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

Non-derivative financial liabilities

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

Derivatives

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

(c) Interest rate risk (continued)

Hedge accounting

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

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

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

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

(d) Market rate risk

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

Market price sensitivity analysis

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

Sensitivity analysis on investments:

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

(e) Liquidity risk

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

(e) Liquidity risk (continued)

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

(f) Credit risk

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

(f) Credit risk (continued)

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

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

The Group determines concentrations of credit risk by monitoring the industry, country and credit rating of its counterparties. The table below shows an analysis of credit risk exposures of balances that exceed 5% of the financial assets of the Group and the Company as at 31 March:

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

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

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

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

43 Capital Management (in \$ million)

The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events, such as the Covid-19 pandemic, on cash flows.

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

43 Capital Management (in \$ million) (continued)

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

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

44 Related Party Transactions (in \$ million)

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

Key Management Personnel remuneration of the Group

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

* Amount less than \$0.1 million

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

RSP Base Awards

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

RSP Final Awards (Pending Release)^{R1}

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

PSP Base Awards^{R2}

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

SSA Base Awards

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

SSA Base Awards Final Awards (Pending Release)^{R3}

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

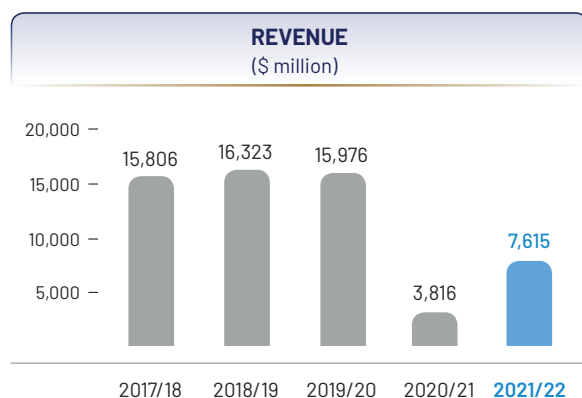
45 Subsequent Events

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

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

FINANCIAL REVIEW

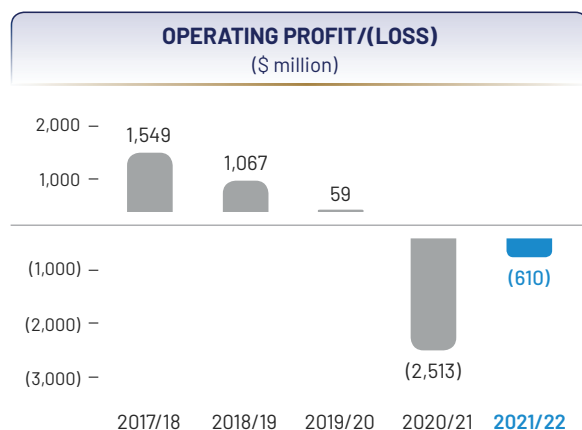
HIGHLIGHTS OF THE GROUP'S PERFORMANCE



TOTAL REVENUE



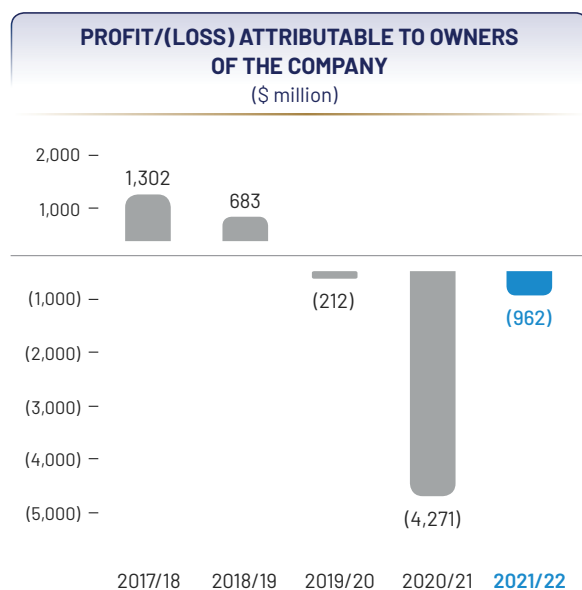
(+\$3,799 million, +99.6%)



OPERATING LOSS



(+\$1,903 million, +75.7%)



LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY



(+\$3,309 million, +77.5%)

FINANCIAL REVIEW

PERFORMANCE OF THE GROUP

KEY FINANCIAL HIGHLIGHTS

	2021/22	2020/21	% Change	
Loss For The Year (\$ million)				
Revenue	7,614.8	3,815.9	+	99.6
Expenditure	8,224.5	6,328.4	+	30.0
Operating loss	(609.7)	(2,512.5)	-	75.7
Loss attributable to owners of the Company	(962.0)	(4,270.7)	-	77.5
Per Share Data (cents)				
Loss per share – basic	(16.2)	(102.6)	-	84.2
Ratios (%)				
Return on equity holders’ funds	(5.0)	(33.9)	+	28.9 points
Return on total assets	(2.2)	(12.0)	+	9.8 points

GROUP LOSS

Group operating loss for the financial year narrowed \$1,903 million from last year to \$610 million, predominantly attributable to a recovery in passenger flown revenue and sustained strong cargo demand amid continued global capacity constraints for both sea freight and air freight.

Group revenue rose by \$3,799 million (+99.6%) year-on-year to \$7,615 million. The launch of the Vaccinated Travel Lanes (VTL) scheme and its subsequent expansion facilitated quarantine-free mass travel for the first time since the pandemic began, boosting demand for air travel to and through Singapore. The Group ramped up passenger capacity (measured in available seat-kilometres) in a calibrated manner, bringing the Group's operating capacity to 51% of pre-Covid levels by the end of March 2022. As a result, passenger flown revenue grew by \$2,121 million to \$2,806 million, on the back of a 614.9% growth in traffic (revenue-passenger kilometres). Cargo flown revenue continued to improve, growing \$1,630 million (+60.2%) year-on-year to reach a record \$4,339 million as the ongoing industry capacity crunch kept cargo demand strong and yields elevated throughout the year.

	2021/22 \$ million	2020/21 \$ million	% Change	
Passenger flown revenue	2,806.0	684.7	n.m.	
Cargo flown revenue	4,339.4	2,709.0	+	60.2
Engineering services	196.8	163.4	+	20.4
Others	272.6	258.8	+	5.3
Total revenue	7,614.8	3,815.9	+	99.6

n.m. - not meaningful

FINANCIAL REVIEW

PERFORMANCE OF THE GROUP (CONTINUED)

GROUP LOSS (CONTINUED)

Group expenditure increased \$1,896 million (+30.0%) year-on-year to \$8,225 million.

Fuel cost after hedging rose by \$1,173 million (+115.5%) to \$2,189 million, largely from an 80.2% jump in average jet fuel prices (+\$1,080 million), increase in volume uplifted (+\$660 million), partially offset by fuel hedging gains against losses last year (-\$553 million) and weaker US Dollar against the Singapore Dollar (-\$14 million).

Non-fuel costs increased \$1,015 million (+19.9%), mainly attributable to the expansion in operations, increase in bookings, easing of manpower measures and lower government grants received.

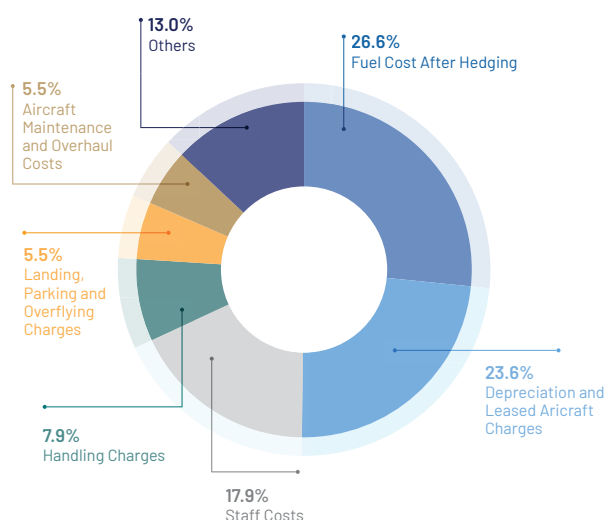
Mark-to-market gains of \$78 million (+\$292 million) were recognised from revaluation gains on fuel derivatives as fuel prices rose. No fuel hedges were deemed ineffective during the year.

The Group recorded an operating loss of \$610 million for the financial year ended 31 March 2022, an improvement of \$1,903 million from last year. The improvement was largely attributable to the narrowing of operating losses by the Group airlines as the aviation industry gradually recovers, albeit still on a reduced network compared to pre-Covid. Please refer to the review of the FSC and subsidiary companies for further details.

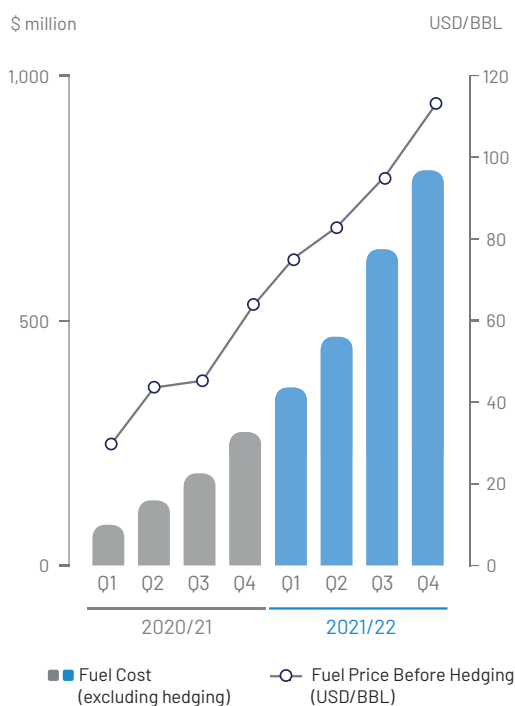
The Group's net loss for the year narrowed \$3,309 million to \$962 million. This was mainly driven by the better operating performance (+\$1,903 million) as well as lower non-cash impairment charges (+\$1,894 million), partially offset by lower tax credit (+\$532 million). The impairment charges for the year amounted to \$59 million, comprising:

- Impairment charge of \$51 million recorded on two Boeing 737-800 NG aircraft deemed surplus to fleet requirements and further write-down of three previously impaired 777-300ER aircraft, following reviews of the network requirements and changes in aircraft trade-in plans; and
- SIA Engineering Company's further write-down of previously impaired base maintenance assets (\$8 million) due to increased difficulty in selling the assets held for sale.

GROUP EXPENDITURE



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



FINANCIAL POSITION

Equity attributable to owners of the Company increased by \$6,506 million (+40.9%) to \$22,412 million as at 31 March 2022, largely due to issuance of mandatory convertible bonds (MCBs) (+\$6,195 million) and fair value gains on cash flow hedges (+\$1,255 million), partially offset by net loss for the financial year (-\$962 million). The fair value gains on cash flow hedges arose primarily from outstanding fuel hedges, driven by higher average forward fuel prices.

Total Group assets increased \$11,090 million (+29.5%) to \$48,671 million. The increase was mainly due to an increase in cash and bank balances (+\$5,980 million), derivative assets (+\$2,608 million), property, plant and equipment (+\$1,087 million) and right-of-use (ROU) assets (+\$894 million).

Cash and bank balances increased mainly due to net proceeds from issuance of MCBs during the financial year (+\$6,195 million), net cash generated from operations (+\$3,042 million), net proceeds from issuance of bonds (+\$811 million), as well as proceeds from sale-and-leaseback agreements (+\$761 million). These were partially offset by capital expenditure (-\$3,049 million), net repayment of borrowings (-\$690 million), lease payments (-\$677 million) and repayment of medium-term notes (-\$200 million).

The increase in derivative assets was mainly from increase in fair value gains on fuel hedging contracts due to higher average forward fuel prices.

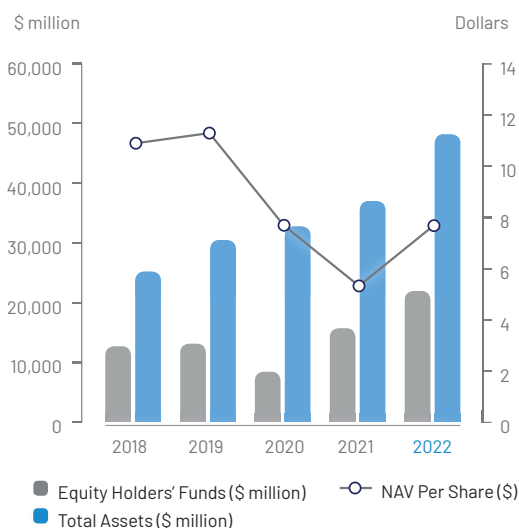
Property, plant and equipment rose largely due to asset acquisitions with the delivery of aircraft during the year as well as pre-delivery payments for aircraft on order, partially offset by depreciation and sale-and-leaseback arrangements on four aircraft.

During the financial year, the Group entered into sale-and-leaseback arrangements for three 787-10 and one A350-900 aircraft, as well as new leases for nine A321neo aircraft, contributing to the increase in ROU assets. This was partially offset by depreciation and impairment of surplus aircraft.

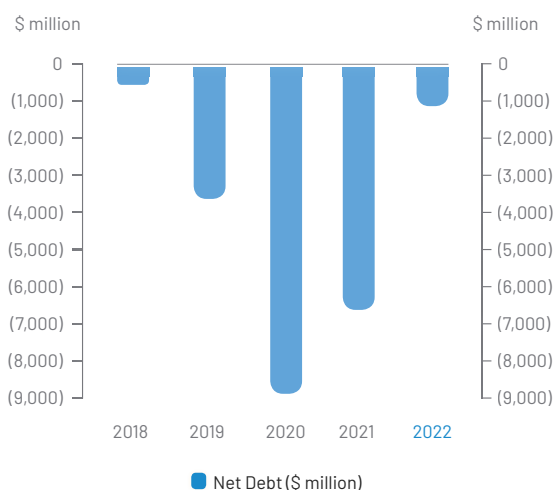
Total Group liabilities increased by \$4,567 million (+21.4%) to \$25,871 million as at 31 March 2022, primarily due to an increase in sales in advance of carriage (+\$1,540 million), derivative liabilities (+\$1,235 million), lease liabilities (+\$818 million) and borrowings (+\$540 million).

The Group's net debt^{R1} was \$1,526 million as at 31 March 2022, a decrease of \$4,756 million from the prior year, primarily attributable to higher cash and bank balances (-\$5,980 million), partially offset by higher lease liabilities (+\$818 million) and bonds payable (+\$625 million). Total debt to equity ratio decreased from 0.90 times to 0.70 times as at 31 March 2022.

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



GROUP NET DEBT



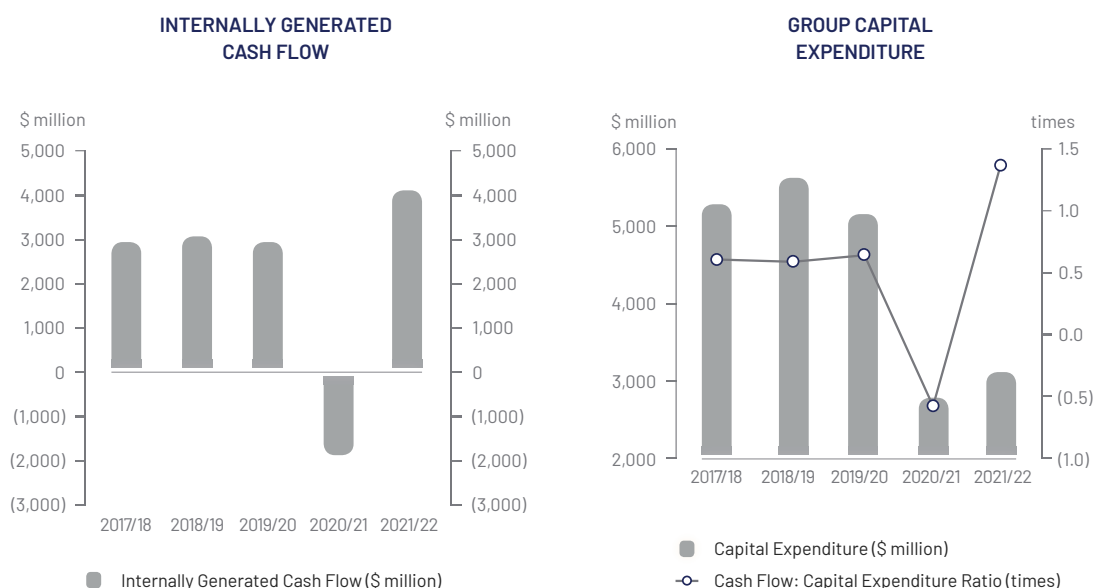
^{R1} Net debt is defined as lease liabilities, loans and bonds issued, net of the sum of cash and bank balances and short-term investments.

FINANCIAL REVIEW

PERFORMANCE OF THE GROUP (CONTINUED)

CAPITAL EXPENDITURE AND CASH FLOW OF THE GROUP

Capital expenditure was \$3,049 million, 13.1% higher than last year. Approximately 99% of the capital spending was on aircraft, spares and spare engines. Internally generated cash inflow of \$4,142 million, a reversal of \$5,990 million from last year's cash outflow, was 1.36 times of capital expenditure. The increase in internally generated cash flow was mainly attributable to the return to cash inflow from operations, partially offset by lower total proceeds from sale and leaseback transactions, disposal of assets held for sale and aircraft, spares and spare engines and lower dividends received from associated and joint venture companies.



GROUP STAFF STRENGTH AND PRODUCTIVITY

The Group's staff strength as at 31 March 2022 was as follows:

	31 March		
	2022	2021	% Change
Singapore Airlines (and SilkAir) ^{R2}	14,117	14,950	- 5.6
SIA Engineering	5,294	5,658	- 6.4
Scot	1,747	1,976	- 11.6
Others	351	350	+ 0.3
	21,509	22,934	- 6.2

Average staff productivity was as follows:

	2021/22	2020/21	% Change
Revenue per employee (\$)	342,669	149,368	+ 129.4
Value added per employee (\$)	126,906	23,208	n.m.

^{R2} Following the integration of SilkAir (Singapore) Private Limited (SilkAir) with the Company, the statistics for Singapore Airlines and SilkAir are consolidated and presented under "Singapore Airlines (and SilkAir)" in this section.

STATEMENTS OF VALUE ADDED AND ITS DISTRIBUTION

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

	2021/22 \$ million	2020/21 \$ million
Total revenue	7,614.8	3,815.9
Less: Purchase of goods and services	(4,751.3)	(3,024.2)
	2,863.5	791.7
Add:		
Interest income	45.9	35.4
Surplus/(Loss) on disposal of aircraft, spares and spare engines	85.9	(27.0)
Dividends from long-term investments	4.0	8.4
Other non-operating items	(49.5)	(127.8)
Share of profits of joint venture companies	28.2	16.6
Share of losses of associated companies	(157.9)	(104.4)
Total value added for distribution	2,820.1	592.9
Applied as follows:		
To employees:		
- Salaries and other staff cost	1,473.6	1,160.5
To government:		
- Corporation taxes	(155.5)	(648.8)
To suppliers of capital:		
- Interim and proposed dividends	-	-
- Finance charges	391.6	267.9
- Non-controlling interests	13.9	(12.7)
Retained for future capital requirements:		
- Depreciation, amortisation and impairment	2,058.5	4,096.7
- Retained loss	(962.0)	(4,270.7)
Total value added	2,820.1	592.9
Value added per \$ revenue (\$)	0.37	0.16
Value added per \$ employment cost (\$)	1.91	0.51
Value added per \$ investment in property, plant and equipment (\$)	0.08	0.02

FINANCIAL REVIEW

PERFORMANCE OF THE FULL-SERVICE CARRIER

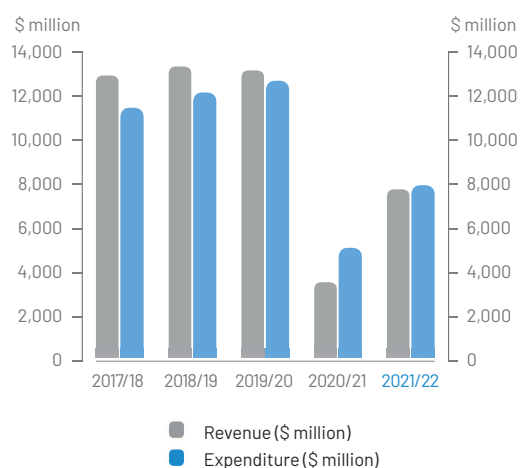
Following the completion of the integration of SilkAir with the Parent Airline Company on 31 May 2021, the financial performance for Singapore Airlines and SilkAir are consolidated and presented under the Full-Service Carrier (FSC). Prior year comparatives have been adjusted to account for the integration.

EARNINGS

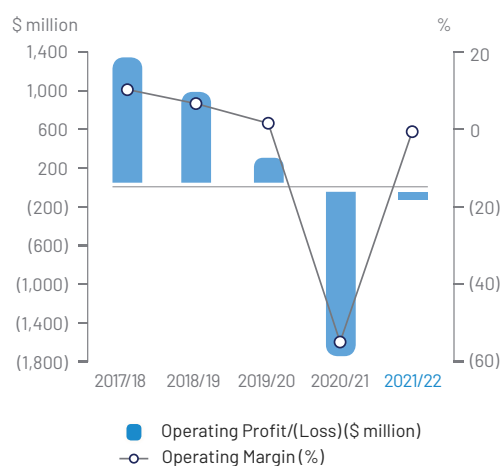
	2021/22 \$ million	2020/21 \$ million	% Change	
Revenue	7,068.1	3,478.0	+	103.2
Expenditure	7,180.0	5,399.0	+	33.0
Operating loss	(111.9)	(1,921.0)	-	94.2
Finance charges	(357.2)	(243.0)	+	47.0
Interest income	106.0	74.8	+	41.7
Impairment of aircraft	(50.5)	(1,663.6)	-	97.0
Surplus/(Loss) on disposal of aircraft, spares and spare engines	84.4	(24.5)		n.m.
Dividends from subsidiary and associated companies	3.0	59.9	-	95.0
Dividends from long-term investments	4.0	8.4	-	52.4
Other non-operating items	(55.2)	(68.7)	-	19.7
Loss before taxation	(377.4)	(3,777.7)	-	90.0
Taxation	63.4	594.7	-	89.3
Loss after taxation	(314.0)	(3,183.0)	-	90.1

n.m. - not meaningful

FSC REVENUE AND EXPENDITURE



OPERATING PROFIT/(LOSS) AND OPERATING MARGIN



REVENUE

	2021/22	2020/21	Change	
	\$ million	\$ million	\$ million	%
Passenger flown revenue	2,509.8	563.8	+ 1,946.0	n.m.
Cargo and mail revenue	4,339.4	2,709.0	+ 1,630.4	+ 60.2
Others	218.9	205.2	+ 13.7	+ 6.7
Total operating revenue	7,068.1	3,478.0	+ 3,590.1	+ 103.2

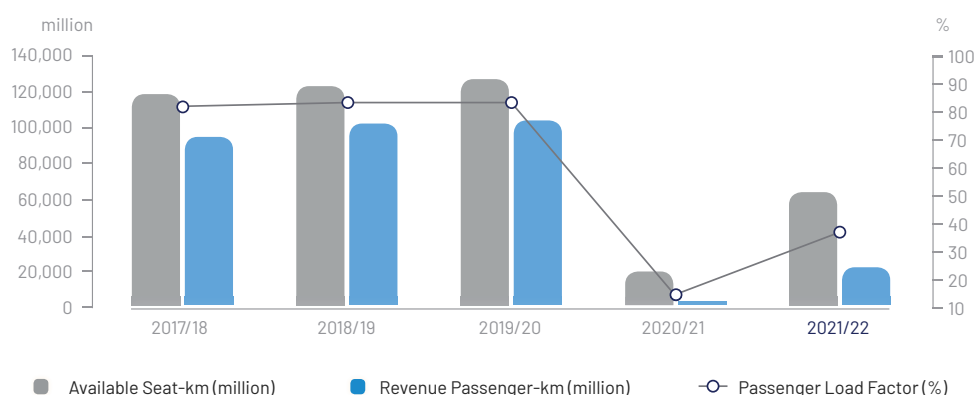
The FSC's revenue jumped 103.2% to \$7,068 million, predominantly from the recovery in international air travel and strong cargo demand amid capacity constraints for both sea and air freight which drove cargo and mail revenue to a record high.

OPERATING PERFORMANCE – PASSENGER SEGMENT

	2021/22	2020/21	% Change	
Passengers carried (thousand)	3,388	514	+ 559.1	
Revenue passenger-km (million)	19,177.7	2,669.0	+ 618.5	
Available seat-km (million)	58,748.1	19,493.0	+ 201.4	
Passenger load factor (%)	32.6	13.7	+ 18.9	points
Passenger yield (cents/pkm)	13.1	21.1	- 37.9	
Revenue per available seat-km (cents/ask)	4.3	2.9	+ 48.3	
Passenger unit cost (cents/ask)	8.0	12.5	- 36.0	

Strong pent-up demand for air travel was unleashed as global border restrictions eased and after Singapore's launch and subsequent expansion of the VTL scheme. As a result, the FSC's passenger carriage grew seven-fold, outpacing the 201.4% capacity injection, delivering passenger load factor of 32.6%, up 18.9% points year-on-year.

CAPACITY, PASSENGER TRAFFIC AND LOAD FACTOR



FINANCIAL REVIEW

PERFORMANCE OF THE FULL-SERVICE CARRIER (CONTINUED)

OPERATING PERFORMANCE – PASSENGER SEGMENT (CONTINUED)

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

	By Route Region ^{R3} (2021/22 against 2020/21)			
	Passengers Carried Change (thousand)	Revenue Passenger-KM % Change	Available Seat-KM % Change	
East Asia	+ 1,021	+ 305.2	+ 162.8	
Americas	+ 331	+ 1,351.2	+ 321.5	
Europe	+ 580	+ 601.7	+ 145.3	
South West Pacific	+ 452	+ 417.5	+ 211.2	
West Asia and Africa	+ 490	+ 1,403.6	+ 507.6	
Systemwide	+ 2,874	+ 618.5	+ 201.4	

Passenger load factor by route region was as follows:

	Passenger Load Factor (%)		
	2021/22	2020/21	% points Change
East Asia	22.0	14.2	+ 7.8
Americas	43.0	12.5	+ 30.5
Europe	36.2	12.6	+ 23.6
South West Pacific	25.7	15.4	+ 10.3
West Asia and Africa	38.5	15.6	+ 22.9
Systemwide	32.6	13.7	+ 18.9

The FSC's passenger flown revenue increased in 2021/22, as a result of:

	\$ million	\$ million
618.5% increase in passenger traffic		+ 3,487.1
37.9% decrease in passenger yield:		
Local currency yields	- 1,705.5	
Change in passenger mix	+ 164.4	- 1,541.1
Increase in passenger flown revenue		+ 1,946.0

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

	\$ million
1.0%-point change in passenger load factor, if yield and capacity remain constant	77.0
1.0% change in passenger yield, if passenger traffic remains constant	25.1

^{R3} Each route region comprises routes originating from Singapore to final destinations in countries and territories within the region concerned and vice versa. Due to Covid-19, the carrier operated a reduced network during the year. East Asia covers Brunei, Cambodia, Hong Kong SAR, Indonesia, Japan, South Korea, Malaysia, People's Republic of China, Myanmar, the Philippines, Thailand, Taiwan and Vietnam. Americas denotes USA. Europe consists of Denmark, England, France, Germany, Italy, Russia, Spain, Switzerland, the Netherlands, and Turkey. South West Pacific covers Australia and New Zealand. West Asia and Africa are made up of Bangladesh, India, the Maldives, Nepal, South Africa, Sri Lanka, and United Arab Emirates.

OPERATING PERFORMANCE – PASSENGER SEGMENT (CONTINUED)

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

	By Route Region (\$ million)				By Area of Original Sale ^{R4} (\$ million)			
	2021/22	2020/21	%	Change	2021/22	2020/21	%	Change
East Asia	457.8	155.8	+	302.0	1,247.8	311.3	+	936.5
Americas	536.6	73.4	+	463.2	478.3	35.1	+	443.2
Europe	810.1	176.9	+	633.2	375.9	106.4	+	269.5
South West Pacific	458.6	135.5	+	323.1	243.2	91.3	+	151.9
West Asia and Africa	246.7	22.2	+	224.5	164.6	19.7	+	144.9
Systemwide	2,509.8	563.8	+	1,946.0	2,509.8	563.8	+	1,946.0

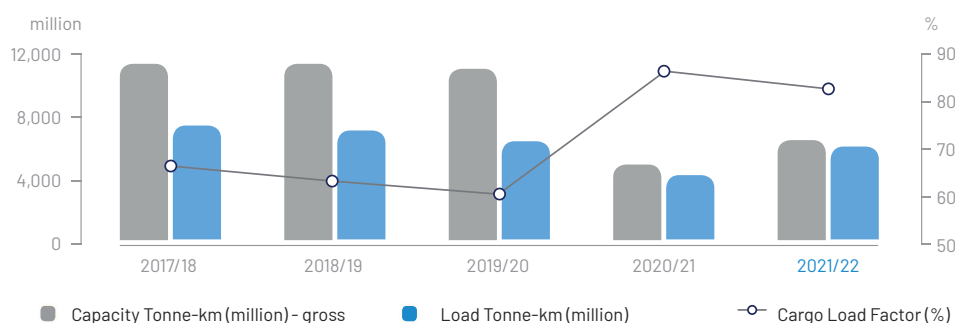
OPERATING PERFORMANCE – CARGO SEGMENT

	2021/22	2020/21	% Change
Cargo and mail carried (million kg)	1,046.0	734.0	+ 42.5
Cargo load tonne-km (million)	5,941.0	4,111.9	+ 44.5
Cargo capacity tonne-km (million) - gross	7,195.3	4,795.1	+ 50.1
Cargo load factor (%)	82.6	85.8	- 3.2 points
Cargo yield (cents/ltk)	73.0	65.9	+ 10.8
Cargo unit cost (cents/ask)	27.2	32.3	- 15.8

Cargo loads carried grew 44.5% as cargo demand kept strong amid the continued capacity constraints for both sea freight and air freight. Yields remained elevated throughout the year due to ongoing industry capacity crunch and supply chain disruptions during the year.

Cargo load factor slipped 3.2% points year-on-year, as the 44.5% increase in loads carried trailed behind the 50.1% expansion in capacity. This was largely due to a decrease in bellyhold cargo carriage as improving passenger loads limited the amount of cargo that could be carried. This was partially offset by an uptick in freighter loads compared to last year.

CAPACITY, LOADS CARRIED AND LOAD FACTOR



^{R4} Each area of original sale comprises countries and territories within a region from which the sale is made.

FINANCIAL REVIEW

PERFORMANCE OF THE FULL-SERVICE CARRIER (CONTINUED)

OPERATING PERFORMANCE – CARGO SEGMENT (CONTINUED)

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

	By Route Region (2021/22 against 2020/21)			
		Loads Carried KG Change (million)	Load Tonne-KM % Change	Capacity Tonne-KM % Change
East Asia	+	125.2	+ 29.2	+ 28.6
Americas	+	29.8	+ 46.9	+ 45.7
Europe	+	60.8	+ 56.5	+ 71.5
South West Pacific	+	55.2	+ 41.8	+ 49.0
West Asia and Africa	+	41.0	+ 51.6	+ 59.3
Systemwide	+	312.0	+ 44.5	+ 50.1

Cargo load factor^{R5} by route region was as follows:

	Cargo Load Factor (%)		
	2021/22	2020/21	% points Change
East Asia	91.5	91.1	+ 0.4
Americas	80.1	79.5	+ 0.6
Europe	82.4	90.2	- 7.8
South West Pacific	71.2	74.8	- 3.6
West Asia and Africa	98.4	103.4	- 5.0
Systemwide	82.6	85.8	- 3.2

The FSC's cargo and mail revenue increased in 2021/22, as a result of:

	\$ million	\$ million
44.5% increase in loads carried		+ 1,204.9
10.8% increase in cargo yield:		
Local currency yields	+ 428.3	
Foreign exchange	- 2.8	+ 425.5
Increase in cargo and mail revenue		+ 1,630.4

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

	\$ million
1.0%-point change in cargo load factor, if yield and capacity remain constant	52.5
1.0% change in cargo yield, if loads carried remains constant	43.4

^{R5} Cargo capacity for passenger aircraft is based on the payload that is typically set aside for cargo carriage. However, when a passenger aircraft operates with low passenger loads or on a pure cargo mission, the cargo carried could be in excess of such capacity.

OPERATING PERFORMANCE – CARGO SEGMENT (CONTINUED)

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

	By Route Region (\$ million)				By Area of Original Sale ^{R6} (\$ million)			
	2021/22	2020/21	%	Change	2021/22	2020/21	%	Change
East Asia	1,217.1	882.8	+	334.3	2,952.4	1,824.6	+	1,127.8
Americas	783.7	379.7	+	404.0	181.2	85.5	+	95.7
Europe	1,056.7	632.2	+	424.5	657.8	422.9	+	234.9
South West Pacific	899.0	583.8	+	315.2	286.6	209.0	+	77.6
West Asia and Africa	382.9	230.5	+	152.4	261.4	167.0	+	94.4
Systemwide	4,339.4	2,709.0	+	1,630.4	4,339.4	2,709.0	+	1,630.4

EXPENDITURE

The FSC's expenditure climbed 33.0% to \$7,180.0 million in 2021/22.

	2021/22		2020/21		% Change	
	\$ million	%	\$ million	%		
Fuel costs	2,039.8	28.4	966.6	17.9	+	111.0
Fuel hedging ineffectiveness	(60.9)	(0.9)	135.3	2.5		n.m.
Staff costs	1,086.5	15.1	872.8	16.2	+	24.5
Depreciation	1,658.3	23.1	1,808.3	33.5	-	8.3
Handling charges	732.3	10.2	464.9	8.6	+	57.5
Aircraft maintenance and overhaul costs	372.6	5.2	335.1	6.2	+	11.2
In-flight meals and other passenger costs	142.7	2.0	39.3	0.7		n.m.
Airport and overflying charges	414.3	5.8	205.7	3.8	+	101.4
Sales costs	205.4	2.9	(20.3)	(0.4)		n.m.
Communications and information technology costs	119.4	1.7	122.4	2.3	-	2.5
Other costs	469.6	6.5	468.9	8.7	+	0.1
Total	7,180.0	100.0	5,399.0	100.0	+	33.0

n.m. - not meaningful

A breakdown of fuel costs is shown below:

	2021/22 \$ million	2020/21 \$ million	Change \$ million
Fuel costs (before hedging)	2,236.1	655.5	+ 1,580.6
Fuel hedging (gain)/loss	(196.3)	311.1	- 507.4
	2,039.8	966.6	+ 1,073.2

Expenditure on fuel before hedging was \$1,581 million higher because of:

		\$ million
80.0% increase in weighted average fuel price from 50.1 USD/BBL to 90.2 USD/BBL	+	1,001.4
91.7% increase in volume uplifted from 9.6 million BBL to 18.4 million BBL	+	591.7
Weaker USD against SGD	-	12.5
	+	1,580.6

^{R6} Each area of original sale comprises countries and territories within a region from which the sale is made.

FINANCIAL REVIEW

PERFORMANCE OF THE FULL-SERVICE CARRIER (CONTINUED)

Mark-to-market gains on fuel derivative contracts of \$61 million were recognised for the year, an improvement of \$196 million against last year, as fuel prices trended up throughout the financial year. In addition, the FSC's fuel hedge book was recalibrated closer to a neutral posture, through using sell swaps to close out some of the prior hedge positions, hence reducing the fuel derivatives' mark-to-market volatility.

Staff costs were \$214 million (+24.5%) higher year-on-year, largely attributable to higher crew allowances from the increase in flight activities, lower government grants and easing of manpower measures.

Non-fuel variable costs rose in line with the expansion in operations by the FSC. The main variable cost items included handling charges (+\$267 million, +57.5%), sales costs (+\$226 million, n.m.), airport and overflying charges (+\$209 million, +101.4%), and in-flight meals and other passenger costs (+\$103 million, n.m.).

FUEL PRODUCTIVITY AND SENSITIVITY ANALYSIS

Fuel productivity of the passenger fleet, measured by load tonne-km per barrel (ltk/BBL), increased 4.0% from 349ltk/BBL to 363ltk/BBL, mainly due to the increase in load factor as air travel demand recovers from the Covid-19 outbreak last year.

A change in fuel productivity of 1.0% would have an impact on the FSC's annual fuel costs before hedging by about \$16 million, before accounting for changes in fuel price, USD exchange rate and flying operations.

A change in the price of fuel before hedging of one US dollar per barrel affects the FSC's annual fuel cost for passenger fleet by about \$18 million, before accounting for USD exchange rate movements, and changes in volume of fuel consumed.

NET FINANCE CHARGES

Net finance charges rose \$83 million, mainly due to additional borrowings to finance operating and capital expenditure, partially offset by higher interest income from the increase in bank balances and higher deposit rates.

IMPAIRMENT OF AIRCRAFT

During the financial year, a review of the SIA Group's network and fleet requirements was carried out based on the latest expected recovery profile. Pursuant to the review, impairment charges of \$51 million were recorded for two 737-800 NGs deemed surplus to requirements, together with a further write-down to three previously impaired 777-300ERs due to a change in aircraft trade-in plans.

DISPOSAL OF AIRCRAFT, SPARES AND SPARE ENGINES

The gain on disposal of \$84 million was primarily attributable to net gain on the sale of eight 737-800 NGs during the year.

DIVIDENDS FROM SUBSIDIARY AND ASSOCIATED COMPANIES

Dividends from subsidiary and associated companies were \$57 million lower than last year mainly due to lower dividends from SIA Engineering Company and Ritz-Carlton, Millenia Singapore.

TAXATION

Tax credit fell by \$531 million to \$63 million, due to a lower loss before taxation this year.

FUEL PRODUCTIVITY OF PASSENGER FLEET



STAFF STRENGTH AND PRODUCTIVITY

The FSC's staff strength as at 31 March 2022 was 14,117, a decline of 833 over the previous year. The distribution of employee strength by category and location is as follows:

	31 March			
	2022	2021	% Change	
Category				
Senior staff (executives and higher-ranking officers)	1,967	1,961	+	0.3
Technical crew	2,386	2,494	-	4.3
Cabin crew	6,661	7,177	-	7.2
Other ground staff	3,103	3,318	-	6.5
	14,117	14,950	-	5.6
Location				
Singapore	11,866	12,524	-	5.3
East Asia	1,019	1,115	-	8.6
Europe	449	475	-	5.5
South West Pacific	321	338	-	5.0
West Asia and Africa	322	349	-	7.7
Americas	140	149	-	6.0
	14,117	14,950	-	5.6

The FSC's average staff productivity ratios^{R7} are shown below:

	2021/22	2020/21	% Change	
Capacity per employee (tonne-km)	914,731	406,688	+	124.9
Revenue per employee (\$)	486,315	207,369	+	134.5
Value added per employee (\$)	190,938	48,307	+	295.3

^{R7} The FSC's staff productivity ratios were computed based on average staff strength of 14,534 in FY2021/22 (FY2020/21: 16,772).

FINANCIAL REVIEW

PERFORMANCE OF THE SUBSIDIARY COMPANIES

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

SIA ENGINEERING

	2021/22 \$ million	2020/21 \$ million	% Change
Total revenue	566.1	443.0	+ 27.8
Total expenditure	588.0	462.0	+ 27.3
Operating loss	(21.9)	(19.0)	- 15.3
Net profit/(loss)	67.6	(11.2)	n.m.

The SIAEC Group posted a revenue of \$566 million for the financial year ended 31 March 2022, an increase of 27.8% year-on-year. This increase was largely driven by a higher number of flights handled as flight activities continued to recover during the year. Expenditure grew by 27.3%, mainly due to lower government wage support and increase in payroll costs as manpower management measures were progressively rolled back. Consequently, the SIAEC Group incurred an operating loss of \$22 million, a slight deterioration from last year's loss of \$19 million.

Share of profits from associated and joint venture companies improved \$39 million (+97.5%) year-on-year to \$79 million. The improvement was largely due to a one-time write-back of tax provisions by certain associated companies compared to a one-time tax charge last year, coupled with the improvement in performance resulting from the increase in flying activity and aircraft maintenance frequency.

Net profit for the financial year was \$68.0 million, a turnaround from the loss of \$11 million last year (+\$79 million). This was mainly due to higher share of profits from associated and joint venture companies (+\$39 million), lower impairment of base maintenance assets (+29 million) and absence of impairment of an investment in an engine programme (+\$11 million) recorded in the previous year.

Basic earnings per share was 6.02 cent for the current financial year.

SCOOT

	2021/22 \$ million	2020/21 \$ million	% Change
Total revenue	432.9	212.3	+ 103.9
Total expenditure	886.5	782.0	+ 13.4
Operating loss	(453.6)	(569.7)	+ 20.4
Loss after taxation	(477.5)	(676.9)	+ 29.5

Scoot's operating loss narrowed \$116 million to \$454 million, led by the doubling of revenue (+103.9%), partly offset by higher expenditure to support the expanded operations (+13.4%).

Revenue growth of \$220 million for the year was primarily due to a six-fold jump in passenger carriage, as travel restrictions eased in several key markets. For the year, passenger load factor for the carrier was 15.1%, a 5.2%-point increase from last year.

Expenditure rose \$104 million (+13.4%), mainly due to higher variable costs from the restoration of capacity (+340.8%). Fixed costs grew marginally as higher depreciation from newly leased aircraft was partially offset by lower staff costs from the reduction in headcount. Government support packages continued to help defray additional costs as well.

Scoot's loss after tax was \$478 million, \$199 million lower than last year, primarily due to the better operating performance (+\$116 million) and absence of last year's impairment charge on surplus aircraft (+\$71 million).

FINANCIAL REPORT

FINANCIAL CONTENT

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DIRECTORS' STATEMENT

The Directors are pleased to present this statement together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

In our opinion:

- (a) the financial statements set out on pages 113 to 214 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 March 2022, and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

1 Directors of the Company

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

Peter Seah Lim Huat	Chairman (Independent)
Goh Choon Phong	Chief Executive Officer
Gautam Banerjee	(Non-Independent)
Simon Cheong Sae Peng	(Independent)
David John Gledhill	(Independent)
Goh Swee Chen	(Independent)
Dominic Ho Chiu Fai	(Independent)
Hsieh Tsun-yan	(Non-Independent)
Lee Kim Shin	(Independent)
Jeanette Wong Kai Yuan	(Independent) (Appointed on 1 June 2021)
Yeoh Oon Jin	(Independent) (Appointed on 1 August 2021)

2 Arrangements to Enable Directors to Acquire Shares and Debentures

Except as disclosed under "Directors' Interests in Shares, Share Options and Debentures" and "Equity Compensation Plans of the Company" in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or share options in, or debentures of, the Company or any other body corporate.

3 Directors' Interests in Shares, Share Options and Debentures

The following Directors who held office at the end of the financial year had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, interests in the following shares, share options, awards and debentures of the Company, and of related corporations, etc..

Name of Director	Direct interest		Deemed interest	
	1 April 2021 or at date of appointment	31 March 2022	1 April 2021 or at date of appointment	31 March 2022
Interest in Singapore Airlines Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	126,200	157,200	-	-
Goh Choon Phong	3,074,209	3,408,955	-	-
Gautam Banerjee	36,550	44,850	-	-
Simon Cheong Sae Peng	32,975	40,175	-	-
David John Gledhill	20,400	26,400	-	-
Goh Swee Chen	18,550	25,350	-	-
Dominic Ho Chiu Fai	31,900	39,300	-	-
Hsieh Tsun-yan	31,850	39,250	-	-
Lee Kim Shin	19,800	26,000	-	-
Jeanette Wong Kai Yuan	-	-	16,500*	16,500*

DIRECTORS' STATEMENT

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

Name of Director	Direct interest		Deemed interest	
	1 April 2021 or at date of appointment	31 March 2022	1 April 2021 or at date of appointment	31 March 2022
Interest in Singapore Airlines Limited (continued)				
<u>Conditional award of restricted shares (note 1)</u>				
Goh Choon Phong – Base Awards	106,000	102,850	–	–
– Final Awards (Pending Release)	51,669	77,792	–	–
<u>Conditional award of performance shares (note 2)</u>				
Goh Choon Phong – Base Awards	386,927	424,110	–	–
<u>Conditional award of deferred restricted shares (note 3)</u>				
Goh Choon Phong – Base Awards	33,113	–	–	–
<u>Conditional award of transformation restricted shares (note 4)</u>				
Goh Choon Phong – Final Awards	29,451	–	–	–
<u>Conditional award of strategic restricted shares (note 5)</u>				
Goh Choon Phong – Final Awards (Pending Release)	93,350	123,225	–	–
<u>Singapore Airlines 2020 Mandatory Convertible Bond due 2030</u>				
Goh Swee Chen	\$3,835	\$3,835	–	–
Jeanette Wong Kai Yuan	–	–	\$19,470*	\$19,470*
<u>Singapore Airlines 2021 Mandatory Convertible Bond due 2030</u>				
Peter Seah Lim Huat	–	\$150,000	–	–
Goh Choon Phong	–	\$500,000	–	–
Goh Swee Chen	–	\$38,769	–	–
Lee Kim Shin	–	\$41,382	–	–
Simon Cheong Sae Peng	–	\$68,917	–	–
Jeanette Wong Kai Yuan	–	–	–	\$34,485*
<u>Singapore Airlines \$430 million 3.13% Notes due 2026</u>				
Yeoh Oon Jin	\$250,000	\$250,000	–	–
Interest in Ascendas India Trust				
<u>Units</u>				
Gautam Banerjee	120,000	120,000	–	–
Interest in Ascendas Real Estate Investment Trust				
<u>Units</u>				
Gautam Banerjee	20,000	20,000	–	–
David John Gledhill	–	39,000	–	–
Jeanette Wong Kai Yuan	–	–	350,000*	150,000*
Interest in CapitaLand Integrated Commercial Trust				
<u>Units</u>				
Peter Seah Lim Huat	189,976	250,751	–	–
Goh Choon Phong	4,824	10,237	–	–
Gautam Banerjee	120,000	120,000	–	–
Goh Swee Chen	–	6,451	–	773*
Jeanette Wong Kai Yuan	–	–	–	2,320*

DIRECTORS' STATEMENT

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

Name of Director	Direct interest		Deemed interest	
	1 April 2021 or at date of appointment	31 March 2022	1 April 2021 or at date of appointment	31 March 2022
Interest in CapitaLand Investment Limited[^]				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	-	392,928 [^]	-	-
Goh Choon Phong	-	35,000 [^]	-	-
Goh Swee Chen	-	41,709 [^]	-	5,000 ^{^^}
Jeanette Wong Kai Yuan	-	-	-	15,000 ^{^^}
Interest in CapitaLand Limited[^] (now known as CapitaLand Group Pte. Ltd.)				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	392,928 [^]	-	-	-
Goh Choon Phong	35,000 [^]	-	-	-
Goh Swee Chen	29,592 [^]	-	5,000 ^{^^}	-
Jeanette Wong Kai Yuan	-	-	15,000 ^{^^}	-
Interest in CapitaLand Retail China Trust				
<u>Units</u>				
Peter Seah Lim Huat	106,872	106,872	-	-
Simon Cheong Sae Peng	-	-	245,000 [#]	245,000 [#]
Jeanette Wong Kai Yuan	-	-	225,000 ⁺	225,000 ⁺
Interest in CapitaLand Treasury Limited				
<u>\$500 million 3.08% Notes due 2027</u>				
Yeoh Oon Jin	\$250,000	\$250,000	-	-
Interest in Olam International Limited				
<u>\$400 million 4.00% Notes due 2026</u>				
Yeoh Oon Jin	\$250,000	\$250,000	-	-
Interest in Mapletree Industrial Trust				
<u>Units</u>				
Simon Cheong Sae Peng	-	-	90,000 [#]	91,252 [#]
Jeanette Wong Kai Yuan	-	-	34,800 ⁺	-
Interest in Mapletree North Asia Commercial Trust				
<u>Units</u>				
Simon Cheong Sae Peng	-	-	295,000 [#]	805,494 ^{**}
Interest in Mapletree Global Student Accommodation Private Trust				
<u>Units in Class A (USD)</u>				
Goh Choon Phong	4,823	4,823	-	-
<u>Units in Class B (GBP)</u>				
Goh Choon Phong	4,823	4,823	-	-
Interest in SembCorp Marine Limited[@]				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	- [@]	6,001,792	-	-
Interest in Singapore Technologies Engineering Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	545,325	545,325	-	-
Goh Choon Phong	6,000	6,000	-	-

DIRECTORS' STATEMENT

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

Name of Director	Direct interest		Deemed interest	
	1 April 2021 or at date of appointment	31 March 2022	1 April 2021 or at date of appointment	31 March 2022
Interest in Singapore Telecommunications Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	1,667	1,667	1,550*	1,550*
Goh Choon Phong	1,610	1,610	-	-
Goh Swee Chen	-	-	5,000*	5,000*
Hsieh Tsun-yan	-	-	47,000*	47,000*
Lee Kim Shin	190	190	-	-
Jeanette Wong Kai Yuan	17,821	17,821	-	-
Interest in StarHub Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	308,992	308,992	300,000*	300,000*
Interest in Telechoice International Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	50,000	50,000	-	-

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

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

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

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

@ Sembcorp Marine Limited became a related corporation effective from 11 November 2021.

^ Under the scheme of arrangement between CapitaLand Limited ("CL") (now known as CapitaLand Group Pte. Ltd.) and CLA Real Estate Holdings Pte. Ltd. ("CLA") which became effective on 15 September 2021, all CL shares held by the eligible shareholders of CL were transferred to CLA and, for each CL share held by such eligible shareholder of CL as at the record date, he/she/it received one issued and paid-up ordinary share in the capital of CapitaLand Investment Limited ("CIL"), 0.154672686 units in CapitaLand Integrated Commercial Trust and \$0.951 in cash. CIL was listed on the SGX-ST by introduction on 20 September 2021 and CL was subsequently delisted from the SGX-ST on 21 September 2021.

Notes:

- The actual number of Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over the one-year performance periods relating to the relevant awards.
- The actual number of Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the three-year performance periods relating to the relevant awards.
- The Awards of fully paid ordinary shares will vest at the end of three years from the date of the grant of the award. At the end of the vesting period, an additional number of shares equivalent to the Base Award multiplied by the accumulated dividend yield (based on the sum of SIA share dividend yields declared with ex-dividend dates occurring during the vesting period) will vest.
- The Awards of fully paid ordinary shares will partially vest after a one-year performance period commencing from the date of the grant of the award. The actual number of Final Awards will range from 0% to 200% of the Base Awards and will vest over three years with 50% vesting after the end of the first year, and the balance at 25% over the next two years. On the final vesting date, an additional equity kicker equivalent to 20% of the Final Award will be settled with the participants.
- The Awards of fully paid ordinary shares will vest over two years with 50% vesting immediately upon the date of the grant of the award, and the balance at 25% over the next two years. On the final vesting date, an additional equity kicker equivalent to 20% of the Final Award will be settled with the participants.

DIRECTORS' STATEMENT

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

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

Changes in the above-mentioned interests between the end of the financial year and 21 April 2022 are as follows:

Name of Director	Direct interest		Deemed interest	
	1 April 2022	21 April 2022	1 April 2022	21 April 2022
Interest in CapitalLand Investment Limited				
<u>\$400 million 3.33% Fixed Rate Senior Notes due 2027</u>				
Goh Choon Phong	-	\$250,000	-	-
Interest in CapitalLand Retail China Trust				
<u>Units</u>				
Peter Seah Lim Huat	106,872	110,181	-	-

4 Equity Compensation Plans of the Company

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

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

Peter Seah Lim Huat	Chairman (Independent)
Simon Cheong Sae Peng	(Independent)
Hsieh Tsun-yan	(Non-Independent)
Jeanette Wong Kai Yuan	(Independent) (Appointed on 29 July 2021)

RSP and PSP

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

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

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

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

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

One-third of the RSP Final Awards of fully paid ordinary shares will be released to the participants upon vesting. The balance will be released equally over the subsequent two years with fulfilment of service requirements. For the transformation awards of restricted shares granted in July 2018 under the RSP, half of the Final Awards of fully paid ordinary shares will be released to the participants upon vesting. The balance will be released equally over the subsequent two years with fulfilment of service requirements. On the final vesting date, an additional equity kicker equivalent to 20% of the Final Award will be settled with the participant.

DIRECTORS' STATEMENT

4 Equity Compensation Plans of the Company (continued)

RSP and PSP (continued)

For the strategic awards of restricted shares granted in July 2020 and July 2021 under the RSP, half of the Final Awards of fully paid ordinary shares was released to the participants on the date of grant. The balance will be released equally over the subsequent two years with fulfilment of service requirements. On the final vesting date, an additional equity kicker equivalent to 20% of the Final Award will be settled with the participant.

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

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

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

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

1. RSP Share Awards Granted to Non-Executive Directors

During the financial year, an aggregate of 80,300 shares were delivered pursuant to awards granted under the RSP to certain Non-Executive Directors as part of their Directors' Fees for the period 1 April 2020 to 31 March 2021 in lieu of cash. The share awards consisted of the grant of fully paid shares outright with no performance or vesting conditions attached, but with a selling moratorium of one year. Details are set out below.

Names of Non-Executive Directors	Share awards granted and vested during the financial year	Balance as at 31 March 2022	Aggregate share awards granted since commencement of the RSP to end of the financial year under review
Peter Seah Lim Huat	31,000	–	120,000
Gautam Banerjee	8,300	–	34,200
Simon Cheong Sae Peng	7,200	–	28,000
David John Gledhill	6,000	–	26,400
Goh Swee Chen	6,800	–	23,400
Dominic Ho Chiu Fai	7,400	–	39,300
Hsieh Tsun-yan	7,400	–	30,100
Lee Kim Shin	6,200	–	26,000

2. RSP Base Awards

Name of participant	Balance as at 1 April 2021	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2022	Aggregate Base Awards granted since commencement of RSP to end of financial year under review
Goh Choon Phong	106,000	102,850	106,000	102,850	537,298

DIRECTORS' STATEMENT

4 Equity Compensation Plans of the Company (continued)

3. RSP Final Awards (Pending Release)^{R1}

Name of participant	Balance as at 1 April 2021	Final Awards granted during the financial year*	Final Awards released during the financial year	Balance as at 31 March 2022	Aggregate ordinary shares released to participant since commencement of RSP to end of financial year under review
Goh Choon Phong	51,669	96,460	70,337	77,792	323,126

4. PSP Base Awards^{R2}

Name of participant	Balance as at 1 April 2021	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2022	Aggregate Base Awards granted since commencement of PSP to end of financial year under review	Aggregate ordinary shares released to participant since commencement of PSP to end of financial year under review
Goh Choon Phong	386,927	154,276	117,093	424,110	788,168	99,680

5. Deferred RSP ("DSA")

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

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

Name of participant	Balance as at 1 April 2021	Adjustments ^a	Awards vested during the financial year	Balance as at 31 March 2022	Aggregate Base Awards granted since commencement of DSA to end of financial year under review	Aggregate ordinary shares released to participant since commencement of DSA to end of financial year under review
Goh Choon Phong	33,113	1,310	34,423	–	108,902	116,622

6. Transformation RSP ("TSA")^{R3}

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

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

Name of participant	Balance as at 1 April 2021	Adjustments*	Final Awards released during the financial year	Balance as at 31 March 2022	Aggregate Base Awards granted since commencement of TSA to end of financial year under review	Aggregate ordinary shares released to participant since commencement of TSA to end of financial year under review
Goh Choon Phong	29,451	18,760	48,211	–	180,046	119,162

DIRECTORS' STATEMENT

4 Equity Compensation Plans of the Company (continued)

7. Strategic RSP ("SSA")

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

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

(a) SSA Base Awards

Name of participant	Balance as at 1 April 2021	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2022	Aggregate Base Awards granted since commencement of SSA to end of financial year under review
Goh Choon Phong	–	153,100	153,100	–	339,800

(b) SSA Final Awards (Pending Release) ^{R4}

Name of participant	Balance as at 1 April 2021	Final Awards granted during the financial year [#]	Final Awards released during the financial year	Balance as at 31 March 2022	Aggregate ordinary shares released to participant since commencement of SSA to end of financial year under review
Goh Choon Phong	93,350	153,100	123,225	123,225	216,575

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

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

^{R3} The actual number of TSA Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the one-year performance periods relating to the relevant awards.

^{R4} The actual number of SSA Final Awards of fully paid ordinary shares is contingent on the BCIRC's assessment of Covid-19 response.

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

[^] Adjustment at the end of the performance period relating to accumulated dividend yield during the financial year.

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

5 Equity Compensation Plans of Subsidiary

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

SIA Engineering Company Limited ("SIAEC")

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

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

DIRECTORS' STATEMENT

6 Audit Committee

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

Yeoh Oon Jin	Independent (Appointed on 1 August 2021 and appointed Chairman on 1 January 2022)
Gautam Banerjee	Non-Independent (Chairman up to 31 December 2021)
Dominic Ho Chiu Fai	Independent
Hsieh Tsun-yan	Non-Independent
Goh Swee Chen	Independent
Jeanette Wong Kai Yuan	Independent (Appointed on 1 June 2021)

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

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

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

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

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

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

DIRECTORS' STATEMENT

7 Auditors

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

On behalf of the Board,

PETER SEAH LIM HUAT
Chairman

GOH CHOON PHONG
Chief Executive Officer

Dated this 18th day of May 2022

INDEPENDENT AUDITORS' REPORT

To The Members Of Singapore Airlines Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Airlines Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2022, the consolidated profit and loss account, consolidated statements of comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 113 to 214.

In our opinion, the accompanying consolidated financial statements of the Group and the statements of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2022 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

To The Members Of Singapore Airlines Limited

Accounting for the carrying values of aircraft and related assets

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

The key audit matter	How the matter was addressed in our audit
The accounting for the carrying value of aircraft and related assets has a material impact on the Group due to the significant cumulative value of the aircraft and long-lived nature of these assets. The Group regularly reviews its fleet of aircraft to determine if any aircraft are surplus to requirements. If identified as surplus, the aircraft are removed from the Cash Generating Unit ("CGU") and impaired to their respective fair values. The remaining aircraft within the two Cash Generating Units ("CGUs") – the low cost airline ("LCC") and full service and cargo operations ("FSC") were assessed for impairment based on their respective values-in-use. There is inherent uncertainty involved in forecasting and discounting future cashflows. The continued effects of Covid-19 on the openness of international borders, albeit easing as compared to the prior year in Singapore, as well as the associated economic impacts creates additional estimation uncertainty in the value-in-use calculations. The significant estimates and assumptions include future revenues (yield), growth rates, projected aircraft usage, and discount rates for each of the two CGUs. As a result of the high degree of estimation uncertainty and significant judgement involved, this is a key area of focus for our audit.	We held discussions with senior management to understand the rationale and assumptions underpinning the longer-term fleet plan and consider if they were reflected in the value-in-use calculations prepared by Management. We assessed the appropriateness of management's allocation of aircraft and related assets to the FSC and LCC CGUs and the identified surplus aircraft. We held discussions with senior management to understand the significant assumptions used in forming the estimates underpinning the assessment of the recoverable amount of the FSC and LCC CGUs. These significant assumptions include yield, growth rates, projected aircraft usage, and discount rates. We challenged these estimates based on our knowledge of the business, the aviation industry and our understanding of the different possible recovery scenarios of global passenger demand. We corroborated our knowledge and understanding by reading publicly available aviation industry reports relating to the impact that the Covid-19 pandemic is expected to have on global passenger demand, where relevant to the Group, to understand the possible recovery scenarios. We performed sensitivity analyses for both CGUs over certain significant inputs, being yield, long term growth rates and discount rates used in assessing the recoverable amount of the CGUs. We also evaluated the historical accuracy of the assumptions over yield and projected aircraft usage by comparing the forecasts at the end of the previous financial year with the actual outcomes in the current year. We checked the arithmetical accuracy of the computations used in assessing the recoverable amounts of the FSC and LCC CGUs.

Findings

The allocation of aircraft and related assets to the two CGUs are consistent with how Management intended to utilise these assets. Key inputs including yield, growth rates, projected aircraft usage and discount rates used in assessing the recoverable amounts of the FSC and LCC CGUs are subject to significant amounts of volatility and uncertainty. Nevertheless, we found these key inputs underpinning the cashflow projections involved in the computation of the recoverable amount of the FSC and LCC CGUs, to be reasonable in the context of currently available relevant information.

INDEPENDENT AUDITORS' REPORT

To The Members Of Singapore Airlines Limited

Accuracy of passenger and cargo revenues

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

The key audit matter	How the matter was addressed in our audit
Passenger and cargo sales are not recognised as revenue immediately but are deferred to be recorded at a later time as revenue in the profit and loss account when the related transportation service is provided. Such deferred revenue is presented on the statement of financial position as sales in advance of carriage and is measured based on the sales price to the customer, net of discounts and rebates. With the easing of the Covid-19 imposed travel restrictions, the Group has been able to significantly increase passenger revenue through the increase in passenger numbers and capacity primarily through the launch of Vaccinated Travel Lane ("VTL") arrangements which have been in place from September 2021 to 31 March 2022. Cargo revenues have also increased with increasing cargo capacity deployed and higher yields as compared to pre-pandemic levels. Passenger and cargo revenues are made up of a high volume of individually low value transactions. The amount of revenue to be recognised for each flight as it is flown relies on complex internal IT systems that handle large volumes of transaction data and includes the exchange of information with industry systems and partner airlines. As a result of these complexities, this is a key focus area in our audit.	To check the accuracy of the revenue recorded by the passenger and cargo revenue systems, we tested the relevant IT system controls, including the user access, program change controls and application controls over internal passenger and cargo revenue systems. Our tests of these controls were designed to determine whether these relevant IT systems controls operated as they were designed, and whether they were protected from tampering of data or software logic that would result in inaccurate accounting information relating to passenger and cargo revenues. In addition, relevant IT system controls were tested relating to the completeness of transfers of data between systems, validation checks to identify data errors and the proration of prices to each flight. For passenger revenue, relevant manual controls were also tested to assess the appropriateness of the treatment applied to exceptions and reconciliations of the Group's records with the outputs from shared industry systems and partner airlines. We obtained direct assistance from the Group's internal auditors to test the effectiveness of relevant controls in the passenger revenue accounting process at various overseas stations. Procedures we performed included planning the work to be performed by the Group's internal auditors, identifying the controls to be tested, and reviewing the work of the Group's internal auditors. We checked a sample of passenger and cargo revenue transactions to underlying records including evidence of payment and flight records to assess the accuracy of the revenue recognised. We performed analytical procedures on sales in advance of carriage by developing an expectation using the yearly operating statistics and comparing such expectations with recorded sales in advance of carriage.

Findings

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

INDEPENDENT AUDITORS' REPORT

To The Members Of Singapore Airlines Limited

Other Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have obtained all other information prior to the date of this auditors' report except for the SIA Group Portfolio, Recovery, Our Transformation Journey, Chairman's Letter to Shareholders, The Year in Review, Environment, Community Engagement, Subsidiaries, Financial Review, Awards, Membership and Attendance of Singapore Airlines Limited, Information on Shareholdings, Additional Information Required by the Singapore Exchange Securities, Network, SIA Cargo, People Development, Corporate Governance Report, and Our Strategy for the Future 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 auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

To The Members Of Singapore Airlines Limited

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Malcolm Ramsay.

KPMG LLP

Public Accountants and
Chartered Accountants

Dated this 18th day of May 2022
Singapore

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For The Financial Year Ended 31 March 2022 (in \$ million)

		The Group	
	Notes	FY2021/22	FY2020/21
REVENUE	4	7,614.8	3,815.9
EXPENDITURE			
Staff costs	5	1,473.6	1,160.5
Fuel costs		2,189.3	1,015.5
Fuel hedging ineffectiveness	41(a)	(78.2)	214.0
Depreciation	21, 22	1,927.6	2,075.9
Impairment of property, plant and equipment	21	-	2.0
Amortisation of intangible assets	23	72.0	65.8
Aircraft maintenance and overhaul costs		453.4	446.4
Commission and incentives		117.8	(13.6)
Landing, parking and overflying charges		451.9	219.0
Handling charges		646.8	394.1
Rentals on leased aircraft		16.9	9.8
In-flight meals		89.5	10.7
Advertising and sales costs		120.9	12.6
Company accommodation and utilities		35.4	35.7
Other passenger costs		56.6	31.1
Crew expenses		56.1	15.0
Impairment of amount owing by a joint venture company		-	12.6
Other operating expenses		594.9	621.3
		8,224.5	6,328.4
OPERATING LOSS	6	(609.7)	(2,512.5)
Finance charges	7	(391.6)	(267.9)
Interest income	8	45.9	35.4
Impairment of aircraft	21, 22	(50.5)	(1,734.3)
Impairment of base maintenance assets	21	(8.4)	(36.9)
Impairment of goodwill	23	-	(170.4)
Impairment of intangible assets	23	-	(11.4)
Surplus/(Loss) on disposal of aircraft, spares and spare engines		85.9	(27.0)
Dividends from long-term investments		4.0	8.4
Other non-operating items	9	(49.5)	(127.8)
Share of profits of joint venture companies		29.8	14.0
Share of losses of associated companies		(145.9)	(126.8)
LOSS BEFORE TAXATION		(1,090.0)	(4,957.2)
TAXATION	10	141.9	673.8
LOSS FOR THE FINANCIAL YEAR		(948.1)	(4,283.4)
(LOSS)/PROFIT ATTRIBUTABLE TO:			
OWNERS OF THE COMPANY		(962.0)	(4,270.7)
NON-CONTROLLING INTERESTS		13.9	(12.7)
		(948.1)	(4,283.4)
LOSS PER SHARE (CENTS)	11	(16.2)	(102.6)
DILUTED LOSS PER SHARE (CENTS)	11	(16.2)	(102.6)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 March 2022 (in \$ million)

	The Group	
	FY2021/22	FY2020/21
LOSS FOR THE FINANCIAL YEAR	(948.1)	(4,283.4)
OTHER COMPREHENSIVE INCOME:		
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
Currency translation differences	1.7	(47.5)
Net fair value changes on cash flow hedges	1,253.3	1,964.7
Share of other comprehensive income of associated and joint venture companies	3.1	6.6
Realisation of reserves on disposal of an associated company	-	25.0
<u>Items that will not be reclassified subsequently to profit or loss:</u>		
Actuarial gain/(loss) on revaluation of defined benefit plans	0.2	(4.9)
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR, NET OF TAX	1,258.3	1,943.9
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	310.2	(2,339.5)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
OWNERS OF THE COMPANY	294.9	(2,317.8)
NON-CONTROLLING INTERESTS	15.3	(21.7)
	310.2	(2,339.5)

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

STATEMENTS OF FINANCIAL POSITION

As At 31 March 2022 (in \$ million)

		The Group 31 March		The Company 31 March	
	Notes	2022	2021	2022	2021
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	13	7,180.2	7,180.2	7,180.2	7,180.2
Mandatory convertible bonds	14	9,691.2	3,496.1	9,691.2	3,496.1
Treasury shares	15	(106.5)	(133.2)	(106.5)	(133.2)
Other reserves	16	5,647.0	5,362.8	6,730.3	5,968.8
		22,411.9	15,905.9	23,495.2	16,511.9
NON-CONTROLLING INTERESTS					
		388.5	372.2	-	-
TOTAL EQUITY		22,800.4	16,278.1	23,495.2	16,511.9
DEFERRED ACCOUNT					
		95.4	41.0	95.4	41.0
DEFERRED TAXATION	17	1,064.3	1,032.5	1,082.8	1,018.9
LONG-TERM LEASE LIABILITIES					
		3,114.8	2,373.6	2,387.4	1,976.1
BORROWINGS					
	18	11,405.5	10,564.8	11,155.5	10,264.3
OTHER LONG-TERM LIABILITIES					
	19	1,077.7	506.4	1,077.7	496.3
PROVISIONS					
	20	1,144.4	965.1	503.1	387.1
DEFINED BENEFIT PLANS					
		99.9	106.6	99.9	106.1
		40,802.4	31,868.1	39,897.0	30,801.7
Represented by:					
PROPERTY, PLANT AND EQUIPMENT					
	21	24,570.6	23,483.3	20,642.7	19,048.1
RIGHT-OF-USE ASSETS					
	22	3,290.1	2,395.7	2,458.5	1,983.7
INTANGIBLE ASSETS					
	23	303.2	301.1	231.0	229.1
SUBSIDIARY COMPANIES					
	24	-	-	5,539.6	5,880.6
ASSOCIATED COMPANIES					
	25	805.8	833.1	485.2	332.3
JOINT VENTURE COMPANIES					
	26	233.4	200.2	32.3	32.3
LONG-TERM INVESTMENTS					
	27	42.6	49.9	39.9	46.6
OTHER LONG-TERM ASSETS					
	28	1,737.2	646.0	1,615.8	495.9
CURRENT ASSETS					
Derivative assets	41	1,402.0	156.8	1,402.0	156.8
Inventories	29	187.4	194.9	142.0	145.3
Trade debtors	30	1,566.4	939.5	1,407.2	753.9
Amounts owing by subsidiary companies	30	-	-	0.2	12.5
Deposits and other debtors	31	202.5	117.3	164.0	68.5
Prepayments		93.2	80.7	72.9	61.5
Other short-term assets		30.4	29.4	21.6	20.9
Investments	32	406.4	271.8	352.5	216.5
Cash and bank balances	33	13,762.7	7,783.0	13,557.9	7,512.1
Assets held for sale	21	37.1	98.6	4.4	25.2
		17,688.1	9,672.0	17,124.7	8,973.2
Less: CURRENT LIABILITIES					
Borrowings	18	606.8	907.1	539.2	842.8
Lease liabilities		567.7	491.4	350.1	315.0
Current tax payable		153.3	95.4	38.8	76.8
Trade and other creditors	34	2,733.3	2,117.2	2,068.9	1,511.3
Amounts owing to subsidiary companies	34	-	-	1,629.8	1,530.7
Sales in advance of carriage	35	2,107.8	568.1	1,997.0	504.4
Deferred revenue	35	925.7	957.8	925.7	957.8
Deferred account		15.9	16.9	15.1	13.8
Derivative liabilities	41	574.7	130.4	571.1	124.0
Provisions	20	183.4	428.9	137.0	343.5
		7,868.6	5,713.2	8,272.7	6,220.1
NET CURRENT ASSETS		9,819.5	3,958.8	8,852.0	2,753.1
		40,802.4	31,868.1	39,897.0	30,801.7

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2022 (in \$ million)

The Group

	Notes	Share capital	Mandatory convertible bonds	Treasury shares
Balance at 1 April 2021		7,180.2	3,496.1	(133.2)
<u>Comprehensive income</u>				
Currency translation differences	16(b)	-	-	-
Net fair value changes on cash flow hedges	16(d)	-	-	-
Actuarial gain on revaluation of defined benefit plans		-	-	-
Share of other comprehensive income of associated and joint venture companies		-	-	-
Other comprehensive income for the financial year, net of tax		-	-	-
(Loss)/Profit for the financial year		-	-	-
Total comprehensive income for the financial year		-	-	-
<u>Transactions with owners, recorded directly in equity</u>				
<u>Contributions by and distributions to owners</u>				
Issue of mandatory convertible bonds		-	6,195.1	-
Changes in ownership interest without loss of control		-	-	-
Share-based compensation expense	5	-	-	-
Treasury shares reissued pursuant to equity compensation plans	15	-	-	26.7
Dividends	12	-	-	-
Total transactions with owners		-	6,195.1	26.7
Balance at 31 March 2022		7,180.2	9,691.2	(106.5)

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

Attributable to owners of the Company						Non-controlling interests	Total equity
Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total		
(96.8)	(16.9)	20.8	(178.6)	5,634.3	15,905.9	372.2	16,278.1
-	0.7	-	-	-	0.7	1.0	1.7
-	-	-	1,253.3	-	1,253.3	-	1,253.3
-	-	-	-	0.2	0.2	-	0.2
1.2	-	-	1.5	-	2.7	0.4	3.1
1.2	0.7	-	1,254.8	0.2	1,256.9	1.4	1,258.3
-	-	-	-	(962.0)	(962.0)	13.9	(948.1)
1.2	0.7	-	1,254.8	(961.8)	294.9	15.3	310.2
-	-	-	-	-	6,195.1	-	6,195.1
-	-	(2.5)	-	1.1	(1.4)	2.4	1.0
-	-	17.0	-	-	17.0	-	17.0
(11.7)	-	(14.6)	-	-	0.4	-	0.4
-	-	-	-	-	-	(1.4)	(1.4)
(11.7)	-	(0.1)	-	1.1	6,211.1	1.0	6,212.1
(107.3)	(16.2)	20.7	1,076.2	4,673.6	22,411.9	388.5	22,800.4

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2022 (in \$ million)

The Group

	Notes	Share capital	Mandatory convertible bonds	Treasury shares
Balance at 1 April 2020		1,856.1	–	(156.0)
<u>Comprehensive income</u>				
Currency translation differences	16(b)	–	–	–
Net fair value changes on cash flow hedges	16(d)	–	–	–
Actuarial loss on revaluation of defined benefit plans		–	–	–
Realisation of reserves from disposal of interest in an associated company		–	–	–
Share of other comprehensive income of associated and joint venture companies		–	–	–
Other comprehensive income for the financial year, net of tax		–	–	–
Loss for the financial year		–	–	–
Total comprehensive income for the financial year		–	–	–
<u>Transactions with owners, recorded directly in equity</u>				
<u>Contributions by and distributions to owners</u>				
Issue of ordinary shares		5,324.1	–	–
Issue of mandatory convertible bonds		–	3,496.1	–
Issue of convertible bonds		–	–	–
Realisation of reserves from disposal of interest in an associated company		–	–	–
Changes in ownership interest without loss of control		–	–	–
Share-based compensation expense	5	–	–	–
Share awards lapsed		–	–	–
Treasury shares reissued pursuant to equity compensation plans	15	–	–	22.8
Dividends	12	–	–	–
Total contributions by and distributions to owners		5,324.1	3,496.1	22.8
<u>Changes in ownership interests in subsidiary companies</u>				
Acquisition of non-controlling interests without change in control		–	–	–
Disposal of a subsidiary company with non-controlling interests		–	–	–
Total transactions with owners		5,324.1	3,496.1	22.8
Balance at 31 March 2021		7,180.2	3,496.1	(133.2)

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

Attributable to owners of the Company						Non-controlling interests	Total equity
Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total		
(112.7)	(5.3)	25.7	(2,150.9)	9,857.2	9,314.1	418.6	9,732.7
-	(37.4)	-	-	-	(37.4)	(10.1)	(47.5)
-	-	-	1,965.8	-	1,965.8	(1.1)	1,964.7
-	-	-	-	(4.9)	(4.9)	-	(4.9)
-	25.6	-	(0.6)	-	25.0	-	25.0
(2.9)	0.2	-	7.1	-	4.4	2.2	6.6
(2.9)	(11.6)	-	1,972.3	(4.9)	1,952.9	(9.0)	1,943.9
-	-	-	-	(4,270.7)	(4,270.7)	(12.7)	(4,283.4)
(2.9)	(11.6)	-	1,972.3	(4,275.6)	(2,317.8)	(21.7)	(2,339.5)
-	-	-	-	-	5,324.1	-	5,324.1
-	-	-	-	-	3,496.1	-	3,496.1
74.3	-	-	-	-	74.3	-	74.3
(48.3)	-	1.4	-	46.9	-	-	-
-	-	(4.3)	-	3.7	(0.6)	0.3	(0.3)
-	-	13.2	-	-	13.2	0.7	13.9
-	-	(2.1)	-	2.1	-	-	-
(9.0)	-	(13.1)	-	-	0.7	-	0.7
-	-	-	-	-	-	(14.3)	(14.3)
17.0	-	(4.9)	-	52.7	8,907.8	(13.3)	8,894.5
1.8	-	-	-	-	1.8	(5.9)	(4.1)
-	-	-	-	-	-	(5.5)	(5.5)
18.8	-	(4.9)	-	52.7	8,909.6	(24.7)	8,884.9
(96.8)	(16.9)	20.8	(178.6)	5,634.3	15,905.9	372.2	16,278.1

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2022 (in \$ million)

The Company

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

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2022 (in \$ million)

The Company

	Notes	Share capital	Mandatory convertible bonds	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2020		1,856.1	-	(156.0)	(928.8)	22.1	(1,734.3)	9,803.6	8,862.7
Effects of integration of SilkAir	17, 22	-	-	-	(7.9)	-	-	-	(7.9)
<u>Comprehensive income</u>									
Net fair value changes on cash flow hedges	16(d)	-	-	-	-	-	1,597.7	-	1,597.7
Actuarial loss on revaluation of defined benefit plans		-	-	-	-	-	-	(4.9)	(4.9)
Other comprehensive income for the financial year, net of tax		-	-	-	-	-	1,597.7	(4.9)	1,592.8
Loss for the financial year		-	-	-	-	-	-	(2,841.1)	(2,841.1)
Total comprehensive income for the financial year		-	-	-	-	-	1,597.7	(2,846.0)	(1,248.3)
<u>Transactions with owners, recorded directly in equity</u>									
<u>Contributions by and distributions to owners</u>									
Issue of ordinary shares		5,324.1	-	-	-	-	-	-	5,324.1
Issue of mandatory convertible bonds		-	3,496.1	-	-	-	-	-	3,496.1
Issue of convertible bonds		-	-	-	74.3	-	-	-	74.3
Share-based compensation expense		-	-	-	-	10.2	-	-	10.2
Share awards lapsed		-	-	-	-	(2.1)	-	2.1	-
Treasury shares reissued pursuant to equity compensation plans	15	-	-	22.8	(9.0)	(13.1)	-	-	0.7
Total transactions with owners		5,324.1	3,496.1	22.8	65.3	(5.0)	-	2.1	8,905.4
Balance at 31 March 2021		7,180.2	3,496.1	(133.2)	(871.4)	17.1	(136.6)	6,959.7	16,511.9

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 March 2022 (in \$ million)

	Notes	The Group	
		FY2021/22	FY2020/21
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(1,090.0)	(4,957.2)
Adjustments for:			
Depreciation	21, 22	1,927.6	2,075.9
Impairment of aircraft	21	50.5	1,734.3
Impairment of base maintenance assets	21	8.4	36.9
Impairment of property, plant and equipment		-	2.0
Impairment of goodwill	23	-	170.4
Impairment of intangible assets	23	-	11.4
Amortisation of intangible assets	23	72.0	65.8
Impairment of trade debtors	6	4.4	4.6
Impairment of amount owing by a joint venture company		-	12.6
Writedown of inventories	6	7.0	12.4
Income from short-term investments	6	(1.2)	(1.2)
Provisions	20	213.5	207.0
Share-based compensation expense	5	17.0	13.2
Exchange differences		(22.9)	45.5
Gain on lease remeasurement		(2.2)	-
Net loss/(gain) on financial assets mandatorily measured at fair value through profit or loss ("FVTPL")	6	3.8	(2.6)
Fuel hedging ineffectiveness		(78.2)	214.0
Foreign currency hedging ineffectiveness	6	-	12.6
Finance charges	7	391.6	267.9
Interest income	8	(45.9)	(35.4)
(Surplus)/Loss on disposal of aircraft, spares and spare engines		(85.9)	27.0
Dividends from long-term investments		(4.0)	(8.4)
Other non-operating items	9	49.5	127.8
Share of profits of joint venture companies		(29.8)	(14.0)
Share of losses of associated companies		145.9	126.8
Operating cash flow before working capital changes		1,531.1	149.3
Increase/(Decrease) in trade and other creditors		485.3	(2,621.5)
Increase/(Decrease) in sales in advance of carriage		1,539.7	(1,473.3)
(Increase)/Decrease in trade debtors		(385.3)	225.8
(Increase)/Decrease in deposits and other debtors		(76.9)	215.6
(Increase)/Decrease in prepayments		(12.5)	40.4
Decrease/(Increase) in inventories		0.5	(13.1)
(Decrease)/Increase in deferred revenue		(32.1)	202.0
Cash generated from/(used in) operations		3,049.8	(3,274.8)
Income taxes paid		(8.3)	(17.6)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		3,041.5	(3,292.4)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 March 2022 (in \$ million)

		The Group	
	Notes	FY2021/22	FY2020/21
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure	36	(3,048.7)	(2,695.5)
Purchase of intangible assets		(74.4)	(74.1)
Proceeds from disposal of aircraft and other property, plant and equipment		22.9	156.4
Proceeds from disposal of assets held for sale		277.0	–
Proceeds from sale and leaseback transactions		760.8	1,230.5
Proceeds from disposal of long-term investments		21.0	30.3
Purchase of short-term investments		(200.6)	(584.6)
Proceeds from disposal of short-term investments		66.1	739.7
Dividends received from associated and joint venture companies		31.9	39.5
Dividends received from investments		4.0	8.4
Interest received from investments and deposits		33.5	33.7
Proceeds from finance leases		9.0	8.1
Investments in an associated company		(152.9)	(212.0)
Proceeds from disposal of an associated company		3.8	–
Proceeds from disposal of interest in a subsidiary company, net of cash disposed		–	5.3
NET CASH USED IN INVESTING ACTIVITIES		(2,246.6)	(1,314.3)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid by subsidiary companies to non-controlling interests	12	(1.4)	(14.3)
Acquisition of non-controlling interests without a change in control		–	(4.1)
Interest paid		(277.0)	(232.4)
Proceeds from issuance of shares and mandatory convertible bonds		6,196.8	8,829.2
Payment of transaction costs related to shares issued and mandatory convertible bonds		(1.7)	(9.0)
Repayment of bonds		(200.0)	(500.0)
Proceeds from issuance of bonds		813.1	2,013.0
Payment of transaction costs from issuance of bonds		(1.8)	(10.9)
Proceeds from borrowings		8.0	4,579.0
Repayment of borrowings		(697.8)	(4,344.1)
Repayment of lease liabilities		(677.4)	(551.6)
Payment of transaction costs related to borrowings		(1.1)	(17.8)
NET CASH PROVIDED BY FINANCING ACTIVITIES		5,159.7	9,737.0
NET CASH INFLOW		5,954.6	5,130.3
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		7,783.0	2,685.3
Effect of exchange rate changes		25.1	(32.6)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		13,762.7	7,783.0
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Fixed deposits	33	11,259.3	5,701.9
Cash and bank balances	33	2,503.4	2,081.1
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		13,762.7	7,783.0

Significant non-cash transactions

During the financial period, the Group made pre-delivery payments for certain aircraft amounting to \$652.2 million through financing from a third-party financier.

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

1 General

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

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

The financial statements of the Group as at and for the year ended 31 March 2022 comprise the Company and its subsidiary companies (together referred to as "the Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

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

The financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 18 May 2022.

2 Summary of Significant Accounting Policies

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

(a) Basis of preparation

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

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

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

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will be able to meet its liabilities as and when they fall due. The Group has generated a loss before taxation of \$1,090.0 million (FY2020/21: \$4,957.2 million) during the year ended 31 March 2022, however, the Group is in a net current assets position of \$9,819.5 million (FY2020/21: net current assets of \$3,958.8 million). The Company has access to \$2,111.8 million (2021: \$2,128.0 million) of committed undrawn facilities as at 31 March 2022. Together with other measures detailed in note 41(e), the Group and the Company has taken steps to build up its liquidity so that it is able to continue its operations as a going concern and to meet its liabilities as and when they fall due.

(b) Changes in accounting policies

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

On 1 April 2021, the Group adopted all the new and revised standards and interpretations of IFRS ("INT IFRS") that are effective for annual financial periods beginning on or after 1 April 2021. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

The Group applied the Interest Rate Benchmark Reform – Phase 2 amendments (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16) retrospectively. However, in accordance with the exceptions permitted in the Phase 2 amendments, the Group has elected not to restate comparatives for the prior periods to reflect the application of these amendments. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at 31 March 2021, there is no impact on opening equity balances as a result of retrospective application.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(b) Changes in accounting policies (continued)

Specific policies applicable from 1 April 2021 for interest rate benchmark reform

The Phase 2 amendments provide practical relief from certain requirements in the financial reporting standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

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

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

Finally, the Phase 2 amendments provide a series of temporary exceptions from certain hedge accounting requirements when a change required by interest rate benchmark reform occurs to a hedged item and/or hedging instrument that permit the hedge relationship to be continued without interruption. The Group applies the following reliefs as and when uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument:

- the Group amends the designation of a hedging relationship to reflect changes that are required by the reform without discontinuing the hedging relationship; and
- when a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

Where uncertainty persists in the timing or amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, the Group continues to apply the existing accounting policies disclosed in note 2(k)(vi). See also note 41 for related disclosures about risks, financial assets and financial liabilities indexed to interbank offered rates ("IBORs") and hedge accounting.

(c) Standards issued but not yet effective

Certain new standards and amendments to standards that are effective from the Group's financial year ending 31 March 2023 onwards, but are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position are as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(d) Basis of consolidation

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

Any excess of the total of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable net assets is recorded as goodwill. The accounting policy for goodwill is set out in note 2(f)(iv). When the amount is negative, a bargain purchase gain is recognised immediately in the profit and loss account.

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

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

The Group elects for each separate business combination, whether the non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

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

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

(e) Subsidiary, associated and joint venture companies

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

A subsidiary company is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiary companies are included in the consolidated financial statements from the date the control commences until the date the control ceases.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

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

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

The most recently available audited financial statements of the associated and joint venture companies are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period where provided by the associate or joint venture. Otherwise, an estimate is made for the balances to the end of the accounting period based on historical experience and adjusted for the effects of known significant transactions. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon the loss of significant influence or joint control over the associated or joint venture company, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

(f) Intangible assets

(i) Computer software

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

(ii) Deferred engine development cost

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

(iii) Brand and trademarks

The brand and trademarks were acquired in business combinations. The useful life of the brand is indefinite and is measured at cost less accumulated impairment losses. When the brand is no longer in use and the Group has no intention to sell the brand, the entire carrying amount is considered impaired. Trademarks which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(iv) Goodwill

Goodwill acquired in a business combination is included in intangible assets. For the measurement of goodwill at initial recognition, refer to note 2(d). Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

Goodwill that forms part of the carrying amount of an associated company is not recognised separately, and therefore, is not tested for impairment separately. Instead, the entire amount of the investment in the associated company is tested for impairment as a single asset when there is objective evidence that the investment in associated company may be impacted.

(v) Other intangible assets

Purchased landing slots are measured at cost less accumulated impairment losses.

Licences acquired in business combinations are initially measured at fair value and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

(vi) Carbon credits

Carbon credits are initially measured at cost. Subsequent to initial recognition, the carbon credits are measured at cost less any accumulated impairment losses. The cost of carbon credits is based on the first-in, first-out allocation method.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(f) Intangible assets (continued)

(vii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(viii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and carbon credits, from the date they are available for use. The estimated useful lives are as follows:

- Computer software 1 – 10 years

For deferred engine development cost, amortisation begins when the aircraft engines are available for sale. These deferred engine development costs are amortised on a straight-line basis over the period of expected sales of the aircraft engines, which is estimated to be over a period of 39 years.

Advance and progress payments are not amortised. Amortisation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted if appropriate.

(g) Foreign currencies

Foreign currency transactions

Foreign currency transactions are translated into SGD at the rates prevailing at the dates of those transactions.

All foreign currency monetary assets and liabilities are translated into SGD at rates prevailing at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The foreign currency gain or loss on monetary assets and liabilities is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency re-translated at the exchange rate at the end of the year.

Foreign currency differences are recognised in the profit and loss account, except for qualifying cash flow hedges which are deferred to equity.

Foreign operations

For the purpose of the consolidated financial statements, the net assets of foreign subsidiary, associated and joint venture companies are translated into SGD at rates prevailing at the reporting date. The financial results of foreign subsidiary, associated and joint venture companies are translated monthly into SGD at prevailing exchange rates. The resulting gains or losses on exchange are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations, and translated into SGD at the closing rate at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity, except to the extent that the foreign currency differences are allocated to non-controlling interests. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary company while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associated or a joint venture company while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(h) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When parts of a property, plant and equipment have different useful lives, they are accounted for as separate components. Cost includes expenditure that is directly attributable to the acquisition of the asset, including capitalised borrowing cost.

When assets are sold or retired, their costs, accumulated depreciation and accumulated impairment losses, if any, are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

Leasehold hotel properties held by an associated company are carried at fair value, less accumulated depreciation and accumulated impairment losses. Fair values of leasehold hotel properties are determined by independent professional valuers on an annual basis. The Group's share of the revaluation gain or loss is reflected under the share of post-acquisition capital reserve.

(ii) Depreciation of property, plant and equipment

Depreciation is based on the cost of an asset less its residual value. Operational lives, residual values and depreciation methods are reviewed annually, and adjusted prospectively, if appropriate. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised from the date the property, plant and equipment is installed and ready for use.

Freehold land, advance and progress payments are not depreciated.

The estimated useful lives and residual values are as follows:

Property, plant and equipment type	Useful lives	Residual values
<u>Aircraft, spares and spare engines</u>		
Passenger aircraft, spares and spare engines	12 – 20 years	0% to 10% of cost; or market value estimates
Embedded engine overhaul costs	4 – 8 years	Nil
Freighter aircraft	20 – 23 years	Market value estimates
Major inspection costs relating to landing gear overhauls and heavy maintenance visits	4 – 12 years	Nil
Training aircraft	5 – 15 years	10% of cost
Flight simulators	10 years	Nil
<u>Leasehold land and buildings</u>		
Office premises	Shorter of lease period or 30 years	Nil
Household premises	Shorter of lease period or 30 years	Nil
Other premises	Shorter of lease period or 30 years	Nil
Leasehold hotel properties held by an associated company	Lease period of 99 years, up to 2081	Nil
<u>Others</u>		
Plant and equipment, office and computer equipment	1 to 15 years	Nil

The residual values of certain aircraft are subject to foreign currency fluctuations and are remeasured to the prevailing exchange rates at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(i) Leases

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a Lessee

The Group recognises a right-of-use ("ROU") asset and lease liability at the lease commencement date.

ROU asset

ROU asset is initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimated cost to restore the underlying asset, less any lease incentive received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, except for embedded engine overhaul cost. The embedded engine overhaul cost is depreciated over the useful life on the same basis as those of property, plant and equipment disclosed in note 2(h). In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

Major improvements and modifications to leased aircraft due to operational requirements are capitalised and depreciated over their expected useful lives (estimated to be 4 to 10 years).

Lease liability

The initial measurement of lease liability is measured at the present value of the unpaid lease payments discounted using the implicit rate in the lease, or if the rate cannot be easily determined, the Group shall use its incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining the interest rate from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments include the following:

- Fixed payments, including in-substance fixed payments, less any incentives receivables;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if there is a change in the Group's estimate of the residual value guarantees, extension or termination options, or there is a revision to an in-substance fixed payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease components for property and training aircraft leases and account for these as one single lease component.

Interest expense arising from lease liabilities are included in repayment of leases under cash flow from financing activities in the consolidated statement of cash flows.

Short-term leases and leases of low value assets

The Group has elected not to recognise ROU assets and lease liabilities for leases of low value and short term aircraft and engine leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(i) Leases (continued)

(ii) As a Lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (refer to note 2(k)).

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

(k) Financial instruments

(i) Recognition and initial measurement

A financial asset or financial liability (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, in the case of a financial asset or liability not carried at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income ("FVOCI") or FVTPL.

For equity investments that are not held for trading, the Group may irrevocably elect, on initial recognition, to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

a) Amortised cost: A non-equity financial asset can be measured at amortised cost if it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

- b) FVOCI: A non-equity financial asset can be measured at FVOCI only if it meets both of the following conditions:
- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
 - The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- c) FVTPL: All other financial assets are classified as measured at FVTPL. Financial assets that are held for trading or are managed, and whose performance is evaluated on a fair value basis, are measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVOCI, to be measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Group's Management;
- The risks that affect the performance of the business model and how those risks are managed;
- How managers of the portfolio are compensated; and
- The frequency, volume and timing of disposals in prior periods, the reasons for such disposals and its expectations about future activity.

Assessment of whether contractual cash flows are solely payments of principal and interest

For assessment purposes, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers contingent events, leverage features, modifications of the time value of money and other limiting terms in the contractual terms of the instrument, which could change the timing or amount of contractual cash flows such that the cash flows of the instrument would not be reflective of solely payments of principal and interest.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing those financial assets.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the sum of the (i) consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that has been recognised in other comprehensive income, is recognised in profit or loss.

Any cumulative gain/loss recognised in other comprehensive income, in respect of equity investment securities designated as at FVOCI, is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition, that is created or retained by the Group, is recognised as a separate asset or liability.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(v) Impairment

Expected credit loss

The Group recognises loss allowances for expected credit loss ("ECL") on non-equity financial instruments that are not measured at FVTPL.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- Non-equity financial instruments that are determined to have a low credit risk at the reporting date; and
- Other non-equity financial instruments (other than trade debtors) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for trade debtors are always measured at an amount equal to lifetime ECL.

The Group considers a non-equity financial instrument to have a low credit risk when its credit quality is rated to be of an investment grade by credit rating agencies.

12-month ECL is the portion of lifetime ECL that results from the default events on a financial instrument that are possible within the 12 months after the reporting date. The lifetime ECL is the expected credit loss over the term of the financial instrument, and is the shortfall of the probability weighted net present value of cash flows as compared to the carrying value of the non-equity financial asset.

The Group considers a financial guarantee contract provided on behalf of a counterparty to be in default when the counterparty is unlikely to pay its credit obligations to the creditor or the Group in full.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(v) Impairment (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether non-equity financial assets that are carried at amortised cost or FVOCI are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(vi) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as forward currency contracts, foreign currency option contracts, cross currency swap contracts, interest rate swap contracts, jet fuel option contracts, jet fuel and Brent and crack swap contracts to hedge its risks associated with foreign currency, interest rate and jet fuel price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivative financial instruments are remeasured at their fair values. The Group also utilises financial liabilities to hedge its risks associated with foreign currency risks embedded within the residual values of owned aircraft.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken directly to the profit and loss account.

Designation of hedges

The Group designates certain derivatives as well as non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objective and strategy in undertaking the hedge, the economic relationship between the hedge instrument and the hedged item, the effects of credit risk on the hedge, the hedge ratio and the hedge type (cash flow or fair value).

Designation of a risk component of a hedged item is permitted when it is a separable identifiable component of the item, and the changes in the cash flows or the fair value of the item attributable to changes in the risk component is reliably measurable.

At the inception of the hedge relationship, the Group makes an assessment of whether the hedging instrument is expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item during the period for which the hedge is designated. For a cash flow hedge of a forecast transaction, the Group also assesses whether the forecast transaction is highly probable to occur and if it presents an exposure to variations in cash flows that could ultimately affect profit or loss.

The hedge effectiveness assessment is an assessment of the economic relationship between the hedged item and the hedging instrument, and is therefore only forward looking. There is no prescribed quantitative hedge effectiveness threshold. Hedge effectiveness is the extent to which the fair value of the hedging instrument offsets changes in the fair value of the hedged item.

The time value of an option is excluded from the designation of a financial instrument and is accounted for as a cost of hedging. The fair value changes related to time value are recognised in other comprehensive income and, depending on the nature of the hedged item, will either be transferred to profit and loss account in the same period that the underlying transaction affects profit or loss, or be capitalised into the initial carrying value of a hedged item.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interbank offered rates reform for the purpose of asserting that the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. The Group will no longer apply the amendments to its highly probable assessment of the hedged item when the uncertainty arising from interest rate benchmark reform with respect to the timing and amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued. To determine whether the designated forecast transaction is no longer expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Designation of hedges (continued)

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued. The cumulative gain or loss previously recognised in the fair value reserve remains there until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

Hedges directly affected by interest rate benchmark reform - Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the contractual cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

Hedges directly affected by interest rate benchmark reform - Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Hedges directly affected by interest rate benchmark reform - Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform (continued)

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in other comprehensive income for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

Cash flow hedges

When a derivative is designated in a cash flow hedge, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the fair value reserve. Any ineffective portion of changes in the fair value of the derivative (i.e. the extent to which changes in the fair value of the hedge instrument do not match the changes in fair value of the hedged item) is recognised immediately in profit or loss.

The amount accumulated in equity is retained in other comprehensive income, and depending on the nature of the hedged item, will either be transferred to the profit or loss in the same period that the underlying transaction affects the profit and loss account or be capitalised in the initial carrying amount of a hedged item.

Fair value hedges

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(vii) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in Singapore dollars that can be converted to ordinary shares at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

(vii) Compound financial instruments (continued)

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

(l) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Where the carrying amount of an asset or its related CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For non-financial assets excluding goodwill and those with indefinite lives, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit and loss account unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(m) Loans, notes payable and borrowings

Loans, notes payable and other borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans, notes and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised, as well as through the amortisation process.

(n) Trade and other creditors

Trade and other creditors and amounts owing to subsidiary, associated and joint venture companies are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

(o) Provisions

Provisions are recognised when, as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic resources will be required to settle the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(o) Provisions (continued)

Provisions for return costs to meet contractual minimum conditions for the return of aircraft, at the end of the lease terms for aircraft under operating leases, are recorded over the lease terms.

Other provisions include provisions for warranty claims, upgrade costs and end-of-lease liabilities. Provision for warranty claims is made for engine overhauls, repairs and maintenance of aircraft (excluding line maintenance), based on past experience of repairs.

(p) Share capital and share issuance expenses

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital, net of any tax effect.

(q) Mandatory convertible bonds ("MCBs")

The test on the classification of MCBs as equity or as liability is based on the substance of the contractual arrangement. If there is no obligation on the Group to pay cash to the holders or to settle the MCBs with a variable number of the Company's ordinary shares, they are classified as equity. In all other cases, the instrument is accounted for as a liability. Upon issuance, the MCBs are measured at the transaction price including qualifying issuance costs. MCBs accounted for as equity instruments are subsequently not remeasured. Liabilities are subsequently accounted for at amortised cost using the effective interest rate. Upon settlement of equity classified MCBs by issuance of ordinary shares upon conversion or by early redemption at the option of the Company, all amounts are also directly recognised in equity.

The MCBs issued by the Company are convertible at maturity only into a fixed number of ordinary shares of the Company. The holders have no right to demand repayment of the MCBs from the Company. The Company has the right to redeem the MCBs at its sole discretion for cash amounts stipulated in the contractual terms for each redemption date that includes an imputed return on investment. The MCBs are denominated in Singapore dollars.

The net proceeds of the MCBs issued (including any directly attributable transaction costs) are classified entirely as an equity component.

If the MCBs are being redeemed before its maturity date, the difference between any redemption consideration and the carrying amount of the MCBs are directly recognised in equity at the date of transaction.

(r) Treasury shares

When shares are reacquired by the Company, the amount of consideration paid which includes directly attributable costs, net of any tax effect, is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in the capital reserve. Voting rights related to treasury shares are nullified and no dividends are allocated to them.

(s) Taxation

(i) Current income tax

Tax recoverable and tax liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to, respectively, the tax authorities using tax rates enacted or substantively enacted at balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income taxes are recognised in the profit and loss account except to the extent that the tax relates to a business combination, or items recognised outside profit or loss, either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(s) Taxation (continued)

(ii) Deferred tax

Deferred tax is provided, using the balance sheet method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are not recognised for:

- Temporary differences on the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Temporary differences associated with investments in subsidiary, associated and joint venture companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilised.

Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

(t) Revenue

Revenue is principally earned from the carriage of passengers, cargo and mail, engineering services, tour activities and sale of merchandise, amongst others. Revenue for the Group excludes dividends from subsidiary companies and intra-group transactions.

(i) Passenger, cargo and mail

Passenger, cargo and mail sales are recognised as operating revenue when the transportation is provided. The value of unutilised tickets and airway bills is included in current liabilities as sales in advance of carriage. Breakage revenue (tickets sold and not uplifted at flight date) is recognised at flight date by estimating a percentage of tickets that will never be utilised, based on historical trends and experience. Where historical trends and experience are not appropriate, the value of unutilised tickets one year after expiry is recognised as revenue. The value of airway bills is recognised as revenue if unused after one year.

The Group sells certain tickets with connecting flights with one or more segments operated by its other airline partners. For segments operated by its other airline partners, the Group has determined that it is acting as an agent on behalf of other airlines as they are responsible for their portion of the contract (i.e. transportation of the passenger). The Group, as the agent, recognises revenue at the time of the travel for the net amount representing commission to be retained by the Group for any segments flown by other airlines.

The Group has applied the practical expedient and recognised the costs of selling airline travel tickets as an expense when it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(t) Revenue (continued)

(ii) Engineering services

Revenue from repair and maintenance of aircraft, and engine and component overhaul is recognised based on the percentage of completion of the projects. The percentage of completion of the projects is determined based on the number of man-hours incurred to date against the estimated man-hours needed to complete the projects.

(iii) KrisFlyer

The Company operates a frequent flyer programme called "KrisFlyer" that provides travel awards to programme members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits is deferred until they are utilised.

In addition, the Company also sells miles to programme partners for issuance to their programme members. For miles purchased by programme partners, revenue is deferred until awards are utilised.

The deferment of the revenue is estimated based on historical trends of breakage, which is then used to project the expected utilisation of these benefits.

(iv) Others

Revenue from tour activities is recognised upon commencement of the tours.

Revenue from sale of merchandise is recognised when the product is delivered and received by the customer.

Rental income from the lease of aircraft is recognised on a straight-line basis over the lease term.

(u) Government grants

Government grants are recognised in profit or loss. To the extent they relate to expenses incurred by the Group, they are recognised as a deduction against expenses on a systematic basis in the same periods in which the expenses are incurred.

(v) Income from investments

Dividend income from investments is recognised when the Group's right to receive the payment is established.

Interest income from investments and fixed deposits is recognised using the effective interest method.

(w) Employee benefits

(i) Equity compensation plans

The fair value determined at the grant date of the equity-settled share-based payment awards is recognised on a straight-line basis over the vesting period. In valuing the share awards, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company and non-vesting performance conditions.

Non-market vesting performance conditions are included in the estimation of the number of shares that are expected to be awarded on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to be awarded on the vesting date and recognises the impact of the revision of the estimates in the profit and loss account, with a corresponding adjustment to the share-based compensation reserve, over the remaining vesting period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(w) Employee benefits (continued)

(i) Equity compensation plans (continued)

The share-based compensation reserve is transferred to general reserve upon cancellation or expiry of the vested awards. When the awards are released, the share-based compensation reserve is transferred to share capital if new shares are issued, or to treasury shares if the awards are satisfied by the reissuance of treasury shares.

(ii) Defined benefit plans

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Remeasurements comprising actuarial gains and losses, and the return on plan assets are recognised immediately in other comprehensive income in the period in which they arise. All expenses related to the defined benefit plans are recognised as an expense in profit or loss. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by long-term employee benefit funds or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group.

(iii) Defined contribution plans

As required by law, the companies in Singapore make contributions to the Central Provident Fund scheme in Singapore, a defined contribution scheme. Certain of the Group's subsidiary companies and overseas stations outside Singapore make contributions to their respective countries' defined contribution pension schemes. Such contributions are recognised as an expense in the period in which the related service is performed.

(iv) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(x) Aircraft maintenance and overhaul costs

The Group recognises aircraft maintenance and overhaul expenses (except heavy maintenance visits, engine overhaul and landing gear overhaul expenses) on an incurred basis. For engine overhaul costs covered by power-by-hour third-party maintenance agreements, a portion of the cost is expensed at a fixed rate per hour during the terms of the agreements. The remaining payments made are recorded as an advance payment, to the extent that it is to be utilised in the future. Upon completion of an overhaul, these amounts are transferred to property, plant and equipment and depreciated over their useful lives.

(y) Borrowing costs

Borrowing costs incurred to finance advance and progress payments for aircraft are capitalised as part of advance and progress payments until the aircraft are commissioned for operation or the projects are completed. All other borrowing costs are recognised as finance charges in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2 Summary of Significant Accounting Policies (continued)

(z) Segment reporting

(i) Business segment

For management purposes, the Group is organised into operating segments based on the nature of the services provided which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to corporate management who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

(ii) Geographical segment

The analysis of revenue by area of original sale from airline operations is derived by allocating revenue to the area in which the sale was made. Revenue from other operations, which consist principally of engineering services, is derived in East Asia and is therefore, not shown.

Assets, which consist principally of flight and ground equipment, support the entire worldwide transportation system, and are mainly located in Singapore. An analysis of assets and capital expenditure of the Group by geographical distribution has therefore not been included.

(aa) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held and MCBs. Diluted earnings per share is determined by adjusting the profit or loss attributable to owners of the Company and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible bonds and share awards granted to employees.

3 Significant Accounting Estimates and Critical Judgements

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income, expenses, and disclosures made. Actual results may differ from these estimates. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of property, plant and equipment – aircraft fleet

Impairment is recognised when events and circumstances indicate that the aircraft may be impaired and the carrying amounts of the aircraft exceed the recoverable amounts. Recoverable amount is defined as the higher of an aircraft's or CGU's fair value less costs to sell and its value-in-use. When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on financial budgets approved by the Management covering a specified period. Information about the Group's key underlying assumptions used in the value-in-use calculations and the related sensitivity analysis is disclosed in note 21.

(b) Depreciation of property, plant and equipment – aircraft fleet

Aircraft are depreciated on a straight-line basis at rates which are calculated to write down their cost to their estimated residual values at the end of their useful lives. Certain estimates regarding the useful lives and residual values of the fleet are made by the Group based on past experience and these are in line with the industry. The useful lives and residual values are reviewed on an annual basis. The carrying amount of the Group's and the Company's aircraft fleet at 31 March 2022 was \$15,712.8 million (2021: \$16,702.3 million) and \$13,294.2 million (2021: \$13,698.5 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

3 Significant Accounting Estimates and Critical Judgements (continued)

(c) Passenger revenue recognition

Passenger sales are recognised as operating revenue when the transportation is provided. The value of unused tickets is included as sales in advance of carriage on the statement of financial position. Passenger revenues are made up of a high volume of individually low value transactions. The amount of revenue to be recognised for each flight as it is flown relies on complex internal IT systems that handle large volumes of transaction data and includes the exchange of information with industry systems and partner airlines.

The carrying amount of the Group's and the Company's sales in advance of carriage at 31 March 2022 was \$2,107.8 million (2021: \$568.1 million) and \$1,997.0 million (2021: \$504.4 million) respectively.

(d) Frequent flyer programme

The Company's KrisFlyer programme provides travel awards to programme members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits is deferred until they are utilised.

In addition, the Company also sells miles to programme partners for issuance to their programme members. For miles purchased by programme partners, revenue is deferred until awards are utilised.

The deferment of the revenue is estimated based on historical trends of breakage, which is then used to project the expected utilisation of these benefits.

The carrying amount of the Group's and the Company's deferred revenue at 31 March 2022 was \$925.7 million (2021: \$957.8 million).

(e) Aircraft maintenance and overhaul expenditure under power-by-hour agreements

The Group has entered into several power-by-hour ("PBH") engine maintenance agreements with original equipment manufacturers of aircraft engines. The monthly payments are based on the number of flying hours flown. A portion of the cost is expensed at a fixed rate per hour during the term of the PBH agreement. The remaining payments made are recorded as an advance payment, to the extent that it is to be utilised through future maintenance activities, if any, or capitalised upon completion of an overhaul.

The proportion of the amount to be expensed off and capitalised is determined based on the best estimate of the proportion of day-to-day maintenance compared to maintenance which extends the useful lives of the engine. The carrying amount of the advance payment relating to PBH agreements for the Group and the Company at 31 March 2022 was \$1,022.8 million (2021: \$984.5 million) and \$712.9 million (2021: \$647.4 million) respectively. The maintenance and repair costs covered by PBH agreements which were expensed off during the year amounted to \$81.8 million (FY2020/21: \$40.0 million) for the Group and \$29.6 million (FY2020/21: \$29.6 million) for the Company.

(f) Provision for lease return costs

Prior to the return of aircraft leased by the Group entities to the lessor, the Group entities are required to fulfil certain lease return conditions which may include the completion of certain maintenance activities to the airframe and engines and the reconfiguration of seats within the aircraft. The provision for lease return costs for these leased aircraft is determined based on the best estimate of the costs that will be incurred to fulfil the stipulated lease return conditions. The carrying amount of the provision for the Group and the Company at 31 March 2022 was \$1,220.4 million (2021: \$1,223.6 million) and \$535.7 million (2021: \$564.0 million) respectively.

4 Segment Information (in \$ million)

Following the integration of SilkAir with the Company, management has determined that the Group has the following reportable segments:

- (i) The Full-Service Carrier ("FSC") segment provides passenger and cargo air transportation under the Singapore Airlines brand with a focus on full-service passenger segment serving short and long haul markets.
- (ii) The Low-Cost Carrier ("LCC") segment provides passenger air transportation under the Scoot brand with a focus on the low-cost passenger segment.
- (iii) Engineering services segment provides airframe maintenance and overhaul services, line maintenance, technical ground handling services and fleet management. It also manufactures aircraft cabin equipment, refurbishes aircraft galleys, provides technical and non-technical handling services and repair and overhaul of hydro-mechanical aircraft equipment.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

4 Segment Information (in \$ million) (continued)

Other services provided by the Group, such as tour activities and sale of merchandise, have been aggregated under the segment "Others". None of these segments meets any of the quantitative thresholds for determining reportable segments in FY2021/22 or FY2020/21.

Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transactions carried out between operating segments during the financial year are in the normal course of business.

Business segments

The Group's business is organised and managed separately according to the nature of the services provided. The following table presents revenue and profit information regarding business segments for the financial years ended 31 March 2022 and 2021 and certain assets and liabilities information of the business segments as at those dates.

FY2021/22	FSC	LCC	Engineering services	Others	Total of segments	Elimination*	Consolidated
TOTAL REVENUE							
External revenue	7,041.1	298.4	196.8	78.5	7,614.8	-	7,614.8
Inter-segment revenue	27.0	134.4	369.3	41.3	572.0	(572.0)	-
	7,068.1	432.8	566.1	119.8	8,186.8	(572.0)	7,614.8
RESULTS							
Segment result	(111.9)	(453.6)	(21.9)	(17.1)	(604.5)	(5.2)	(609.7)
Finance charges	(357.2)	(95.0)	(2.6)	(0.6)	(455.4)	63.8	(391.6)
Interest income	106.0	0.9	1.8	0.4	109.1	(63.2)	45.9
Impairment of aircraft	(50.5)	-	-	-	(50.5)	-	(50.5)
Impairment of base maintenance assets	-	-	(8.4)	-	(8.4)	-	(8.4)
Surplus on disposal of aircraft, spares and spare engines	84.4	0.4	-	1.1	85.9	-	85.9
Dividends from long-term investments	4.0	-	-	-	4.0	-	4.0
Other non-operating items	(58.7)	8.0	1.2	-	(49.5)	-	(49.5)
Share of profits of joint venture companies	0.4	-	29.4	-	29.8	-	29.8
Share of (losses)/profits of associated companies	(182.8)	-	49.7	-	(133.1)	(12.8)	(145.9)
Taxation	63.4	61.8	18.6	(1.9)	141.9	-	141.9
(Loss)/Profit for the financial year	(502.9)	(477.5)	67.8	(18.1)	(930.7)	(17.4)	(948.1)
Attributable to:							
Owners of the Company							(962.0)
Non-controlling interests							13.9
							(948.1)

* Relates to inter-segment transactions eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

4 Segment Information (in \$ million) (continued)

Business segments (continued)

FY2020/21 (RESTATED)	FSC	LCC	Engineering services	Others	Total of segments	Elimination*	Consolidated
TOTAL REVENUE							
External revenue	3,452.2	125.7	163.4	74.6	3,815.9	-	3,815.9
Inter-segment revenue	25.8	86.6	279.6	53.6	445.6	(445.6)	-
	3,478.0	212.3	443.0	128.2	4,261.5	(445.6)	3,815.9
RESULTS							
Segment result	(1,921.0)	(569.7)	(19.0)	(3.9)	(2,513.6)	1.1	(2,512.5)
Finance charges	(243.0)	(68.2)	(2.9)	(0.5)	(314.6)	46.7	(267.9)
Interest income	74.8	1.6	3.9	0.8	81.1	(45.7)	35.4
Impairment of aircraft	(1,663.6)	(70.7)	-	-	(1,734.3)	-	(1,734.3)
Impairment of goodwill	-	(170.4)	-	-	(170.4)	-	(170.4)
Impairment of base maintenance assets	-	-	(36.9)	-	(36.9)	-	(36.9)
Impairment of intangible assets	-	-	(11.4)	-	(11.4)	-	(11.4)
Loss on disposal of aircraft, spares and spare engines	(24.6)	(2.4)	-	-	(27.0)	-	(27.0)
Dividends from long-term investments	8.4	-	-	-	8.4	-	8.4
Other non-operating items	(78.9)	(32.7)	(9.2)	(7.0)	(127.8)	-	(127.8)
Share of (losses)/profits of joint venture companies	(0.2)	-	14.2	-	14.0	-	14.0
Share of (losses)/profits of associated companies	(155.4)	(0.1)	25.7	-	(129.8)	3.0	(126.8)
Taxation	594.7	65.6	16.0	(2.5)	673.8	-	673.8
Loss for the financial period	(3,408.8)	(847.0)	(19.6)	(13.1)	(4,288.5)	5.1	(4,283.4)
Attributable to:							
Owners of the Company							(4,270.7)
Non-controlling interests							(12.7)
							(4,283.4)

* Relates to inter-segment transactions eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

4 Segment Information (in \$ million) (continued)

Business segments (continued)

	FSC	LCC	Engineering services	Others	Total of segments	Elimination*	Consolidated
AS AT 31 MARCH 2022							
Segment assets	42,074.9	5,217.5	1,169.4	286.5	48,748.3	(1,159.1)	47,589.2
Investments in associated and joint venture companies	388.0	–	651.2	–	1,039.2	–	1,039.2
Long-term investments	39.9	–	–	2.7	42.6	–	42.6
Total assets	42,502.8	5,217.5	1,820.6	289.2	49,830.1	(1,159.1)	48,671.0
Segment liabilities	6,784.2	732.4	139.1	97.0	7,752.7	(1,299.9)	6,452.8
Lease liabilities	2,737.5	886.0	66.9	10.5	3,700.9	(18.4)	3,682.5
Long-term liabilities	1,077.7	–	–	–	1,077.7	–	1,077.7
Provisions	642.5	682.3	3.0	–	1,327.8	–	1,327.8
Defined benefit plans	99.9	–	–	–	99.9	–	99.9
Borrowings	11,694.7	298.0	2.8	16.8	12,012.3	–	12,012.3
Tax liabilities	1,226.4	0.2	(12.6)	3.6	1,217.6	–	1,217.6
Total liabilities	24,262.9	2,598.9	199.2	127.9	27,188.9	(1,318.3)	25,870.6
Capital expenditure	2,747.6	281.7	18.4	1.0	3,048.7	–	3,048.7
Purchase of intangible assets	60.7	4.4	4.9	4.4	74.4	–	74.4
Depreciation	1,599.4	282.0	59.8	3.3	1,944.5	(16.9)	1,927.6
Impairment of aircraft	50.5	–	–	–	50.5	–	50.5
Impairment of base maintenance assets	–	–	8.4	–	8.4	–	8.4
Amortisation of intangible assets	58.9	3.2	3.5	6.4	72.0	–	72.0
Non-cash items other than depreciation, impairment of property, plant and equipment and amortisation of intangible assets	11.4	4.0	6.5	1.1	23.0	–	23.0

* Relates to inter-segment transactions eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

4 Segment Information (in \$ million) (continued)

Business segments (continued)

	FSC	LCC	Engineering services	Others	Total of segments	Elimination*	Consolidated
AS AT 31 MARCH 2021 (RESTATED)							
Segment assets	31,428.0	4,520.8	1,207.8	289.4	37,446.0	(947.9)	36,498.1
Investments in associated and joint venture companies	431.3	-	602.0	-	1,033.3	-	1,033.3
Long-term investments	47.2	-	-	2.7	49.9	-	49.9
Total assets	31,906.5	4,520.8	1,809.8	292.1	38,529.2	(947.9)	37,581.3
Segment liabilities	3,996.5	736.6	169.3	93.2	4,995.6	(1,164.2)	3,831.4
Lease liabilities	2,346.8	466.6	74.2	11.4	2,899.0	(34.0)	2,865.0
Long-term liabilities	496.3	10.1	-	-	506.4	-	506.4
Provisions	802.3	590.3	1.4	-	1,394.0	-	1,394.0
Defined benefit plans	106.6	-	-	-	106.6	-	106.6
Borrowings	11,107.1	345.6	9.9	9.3	11,471.9	-	11,471.9
Tax liabilities	1,120.7	(7.5)	10.8	3.9	1,127.9	-	1,127.9
Total liabilities	19,976.3	2,141.7	265.6	117.8	22,501.4	(1,198.2)	21,303.2
Capital expenditure	2,222.4	457.2	15.2	0.7	2,695.5	-	2,695.5
Purchase of intangible assets	64.6	2.0	5.2	2.3	74.1	-	74.1
Depreciation	1,752.2	269.6	67.8	3.3	2,092.9	(17.0)	2,075.9
Impairment of property, plant and equipment	2.0	-	-	-	2.0	-	2.0
Impairment of aircraft	1,663.6	70.7	-	-	1,734.3	-	1,734.3
Impairment of goodwill	-	170.4	-	-	170.4	-	170.4
Impairment of base maintenance assets	-	-	36.9	-	36.9	-	36.9
Impairment of intangible assets	-	-	11.4	-	11.4	-	11.4
Amortisation of intangible assets	53.6	3.2	3.4	5.6	65.8	-	65.8
Non-cash items other than depreciation, impairment of property, plant and equipment and amortisation of intangible assets	(37.4)	(7.2)	7.5	1.6	(35.5)	-	(35.5)

* Relates to inter-segment transactions eliminated on consolidation.

Geographical segments

The following table presents revenue information on airline operations by geographical areas for the financial years ended 31 March 2022 and 2021.

	By area of original sale	
	FY2021/22	FY2020/21
East Asia	4,447.6	2,253.5
Europe	1,158.2	530.1
South West Pacific	677.3	302.5
Americas	427.2	120.7
West Asia and Africa	435.9	187.6
Systemwide	7,146.2	3,394.4
Non-scheduled services and incidental revenue	354.7	295.9
	7,500.9	3,690.3

No single customer contributed to more than 10% of the Group's revenue during the financial years ended 31 March 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

5 Staff Costs (in \$ million)

	The Group	
	FY2021/22	FY2020/21
Salary, bonuses and other costs	1,275.8	978.8
CPF, other defined contributions and defined benefit expense	180.8	168.5
Share-based compensation expense	17.0	13.2
	1,473.6	1,160.5

The Group contributes to several post-employment defined benefit plans for employees at several overseas locations. Employees may contribute in some of these plans and these contributions are matched in varying amounts by the Group. Defined benefit expense for the Group was \$7.8 million for FY2021/22 (FY2020/21: \$9.0 million). As this is not material to the total staff costs of the Group for FY2021/22 and FY2020/21, additional disclosures of the defined benefit plans are not shown.

Included in staff costs for FY2021/22 is wage support of \$383.4 million (FY2020/21: \$528.6 million) from the Singapore Government.

Share-based compensation arrangements

As at 31 March 2022, the Group has the following share-based compensation arrangements:

(a) Share-based incentive plans (equity-settled)

The SIA Restricted Share Plan 2014 ("RSP") and the SIA Performance Share Plan 2014 ("PSP") are share-based incentive plans for senior executives and key Senior Management, which were approved by the shareholders of the Company at the Extraordinary General Meeting held on 30 July 2014.

The RSP awards fully paid ordinary shares of the Company, conditional on position and individual performance targets set at the start of the performance period based on medium-term Group and Company objectives.

In respect of FY2021/22 Strategic Share Award ("SSA") under the RSP, the award made in July 2021 to Senior Management (Senior Vice Presidents and above) was based on BCIRC assessment of SIA Management's Covid-19 response and recovery for FY2020/21.

The FY2021/22 RSP award was made in July 2021 on a contingent performance basis to Senior Management and other key executives (Vice Presidents and Divisional Vice Presidents).

The PSP awards fully paid ordinary shares of the Company, conditional on performance targets set at the start of a three-year overlapping performance period based on stretched long-term corporate objectives. The FY2021/22 PSP award was made in July 2021 on a contingent performance basis to Senior Management.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

5 Staff Costs (in \$ million) (continued)

Share-based compensation arrangements (continued)

(a) Share-based incentive plans (equity-settled) (continued)

Key terms and conditions related to the grants made during FY2021/22 under these programmes are as follows:

Plans	Vesting Conditions	Performance conditions [^]	Payout
RSP	- Based on meeting stated performance conditions over a one-year performance period, one-third of award vests. - Balance vests equally over the subsequent two years with fulfilment of service requirements.	Company Operational Performance Scorecard ("COPS") with operational focus dealing with Covid-19 response and recovery	0% - 150%*
PSP	Based on meeting stated performance conditions over a three-year performance period.	- Absolute Total Shareholder Return ("TSR") outperform Cost of Equity - Relative TSR against selected airline peer index companies	0% - 200%*
SSA	- The award was based on BCIRC assessment of Covid-19 response 50% of the award vests upon grant in July 2021 - Balance vests equally over the subsequent two years with fulfilment of service requirements. - Additional 20% equity kicker of final award upon final vesting.	No further conditions	100%

[^] For non-market conditions, achievement factors are determined based on inputs from the BCIRC for the purpose of accrual for the share-based incentive plans until the achievement of the targets can be accurately ascertained.

* The payout depends on the achievement of pre-set performance targets over the performance period.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

5 Staff Costs (in \$ million) (continued)

Share-based compensation arrangements (continued)

(a) Share-based incentive plans (equity-settled) (continued)

Movement of share awards during the financial year

Date of grant	Number of Share Awards				
	Balance at 1 April 2021/ date of grant	Adjustment	Cancelled	Vested	Balance at 31 March 2022
RSP					
19.07.2018	342,348	-	-	(342,348)	-
19.07.2019	398,966	-	(1,586)	(217,430)	179,950
16.07.2020	1,661,658	(165,388)*	(22,578)	(580,616)	893,076
15.07.2021	1,658,723	-	(17,998)	-	1,640,725
	4,061,695	(165,388)	(42,162)	(1,140,394)	2,713,751
PSP					
19.07.2018	405,920	(210,700)*	-	(195,220)	-
19.07.2019	608,880	-	-	-	608,880
16.07.2020	605,600	-	-	-	605,600
15.07.2021	717,293	-	-	-	717,293
	2,337,693	(210,700)	-	(195,220)	1,931,773
Deferred Share Award ("DSA")					
11.09.2018	169,022	6,000^	-	(175,022)	-
	169,022	6,000	-	(175,022)	-
Transformation Share Award ("TSA")					
19.07.2018	141,857	106,420*	-	(248,277)	-
19.07.2019	27,000	-	-	(13,500)	13,500
	168,857	106,420	-	(261,777)	13,500
SSA					
16.07.2020	478,000	-	-	(239,000)	239,000
05.02.2021	39,300	-	-	(19,650)	19,650
15.07.2021	820,300	-	-	(410,150)	410,150
	1,337,600	-	-	(668,800)	668,800

[#] Adjustment at the end of performance period upon meeting stated performance targets and adjustments for number of days in service for retirees.

[^] Adjustment at the end of the performance period relating to accumulated dividend yield during the financial year.

^{*} Adjustment at the end of the performance period relating to an additional equity kicker during the financial year.

Since the commencement of the RSP and PSP plans in July 2014, 13,501,841 awards have been granted.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

5 Staff Costs (in \$ million) (continued)

Share-based compensation arrangements (continued)

(b) Measurement of fair values

The methods and inputs used in the measurement of fair values at grant date of the equity-settled share-based incentive plans were as follows:

	FY2021/22		
	RSP	PSP	SSA
Valuation Method	Monte Carlo Simulation		
Expected dividend paid yield (%)	Management's forecast in line with dividend policy		
Expected volatility (%)	28.70 - 33.98	28.70	32.36 - 33.98
Risk-free interest rate (%)	0.34 - 0.56	0.56	0.34 - 0.41
Expected term (years)	0.96 - 2.96	2.96	0.96 - 1.96
Share price at date of grant (\$)	4.89	4.89	4.89
Estimated fair value (\$)	4.89	6.67	4.89
	FY2020/21		
	RSP	PSP	SSA
Valuation Method	Monte Carlo Simulation		
Expected dividend paid yield (%)	Management's forecast in line with dividend policy		
Expected volatility (%)	23.74 - 34.91	23.74	26.47 - 34.91
Risk-free interest rate (%)	0.26 - 0.32	0.32	0.26 - 0.27
Expected term (years)	0.96 - 2.96	2.96	0.96 - 1.96
Share price at date of grant (\$)	3.72	3.72	3.72
Estimated fair value (\$)	3.58 - 3.71	3.20	3.68 - 3.72

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period that is commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

6 Operating Loss (in \$ million)

Operating loss for the financial year was arrived at after charging/(crediting):

	The Group	
	FY2021/22	FY2020/21
Interest income from short-term investments	(1.0)	(1.1)
Dividend income from short-term investments	(0.2)	(0.1)
Income from operating lease of aircraft	-	(19.2)
Surplus on disposal of short-term investments	(0.6)	(2.1)
Remuneration for auditors of the Company		
Audit fees	1.6	1.7
Audit-related fees	0.9	0.5
Non-audit fees	0.1	0.4
Bad debts written off	0.3	7.5
Impairment of trade debtors	4.4	4.6
Writedown of inventories	7.0	12.4
Exchange (gain)/loss, net	(0.9)	12.2
Currency hedging loss	-	6.2
Foreign currency hedging ineffectiveness	-	12.6
Fuel hedging (gain)/loss recognised in "Fuel costs"	(219.2)	334.2
Gain on lease remeasurement	(2.2)	(0.2)
Net loss/(gain) on financial assets mandatorily measured at FVTPL	3.8	(2.6)
Expenses relating to short-term leases	15.6	8.7
Expenses relating to low value leases	3.8	3.6

7 Finance Charges (in \$ million)

	The Group	
	FY2021/22	FY2020/21
Notes payable	187.7	145.2
Bank loans	99.8	109.5
Lease liabilities	136.7	63.4
Amortisation of transaction costs related to borrowings	6.5	5.4
Commitment fees	4.8	3.2
Interest paid and capitalised on qualifying assets	(43.9)	(58.8)
	391.6	267.9

Borrowing costs on qualifying assets are capitalised using an average interest rate of 2.5% (FY2020/21: 2.5%) per annum.

8 Interest Income (in \$ million)

	The Group	
	FY2021/22	FY2020/21
Interest income from fixed deposits and investments	45.3	34.5
Interest income from sub-leasing of ROU assets	0.6	0.9
	45.9	35.4

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

9 Other Non-Operating Items (in \$ million)

	The Group	
	FY2021/22	FY2020/21
Provision for onerous contract	(38.9)	-
Impairment of long term investments	(5.2)	-
Provision for expected credit losses on investments and loans and guarantee to a joint venture company	(5.1)	(1.2)
Provision for expected credit losses on other debtors	(4.7)	-
Loss on sale and leaseback transactions	(3.9)	(6.8)
Impairment of investment in an associated company	(2.1)	(0.2)
Refleeting and restructuring costs	(1.1)	(30.3)
Surplus on disposal of intangible assets	8.0	-
Gain/(Loss) on disposal of an associated company	2.6	(25.0)
Headcount rationalisation costs	0.5	(44.7)
Surplus/(Loss) on disposal of other property, plant and equipment	0.4	(4.9)
Provision for liquidation costs relating to NokScoot	-	(13.1)
Net loss on financial assets mandatorily measured at FVTPL	-	(4.9)
Impairment of investment in a joint venture company	-	(0.1)
Gain on sale of a subsidiary company	-	2.0
Write-back of provision for early lease termination	-	1.4
	(49.5)	(127.8)

10 Taxation (in \$ million)

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2022 and 2021 are:

	The Group	
	FY2021/22	FY2020/21
<u>Current taxation</u>		
Provision for the year	80.0	9.3
(Over)/Under provision in respect of prior years	(13.8)	36.2
	66.2	45.5
<u>Deferred taxation (refer to note 17)</u>		
Movement in temporary differences	(185.1)	(692.0)
Over provision in respect of prior years	(23.0)	(27.3)
	(208.1)	(719.3)
	(141.9)	(673.8)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

10 Taxation (in \$ million) (continued)

Deferred taxation related to other comprehensive income:

	The Group	
	FY2021/22	FY2020/21
Cash flow hedges	237.6	418.1
Actuarial loss on revaluation of defined benefit plans	–	(1.0)
	237.6	417.1

The Group has tax losses and deductible temporary differences (for which no deferred tax asset has been recognised) of approximately \$980.4 million (2021: \$558.2 million) and \$3.7 million (2021: \$5.1 million) respectively that are available for offset against future taxable profits of the companies. This is due to the uncertainty of the recoverability of the deferred tax asset.

A reconciliation between taxation expense and the product of accounting loss multiplied by the applicable tax rate for the years ended 31 March is as follows:

	The Group	
	FY2021/22	FY2020/21
Loss before taxation	(1,090.0)	(4,957.2)
Add: Share of losses of associated and joint venture companies	116.1	112.8
	(973.9)	(4,844.4)
Taxation at statutory corporate tax rate of 17.0%	(165.6)	(823.5)
Adjustments for:		
Income not subject to tax	(48.5)	(75.4)
Expenses not deductible for tax purposes	30.0	136.3
Higher effective tax rates of other countries	1.0	2.2
(Over)/Under provision in respect of prior years, net	(36.8)	8.9
Tax benefits not recognised	70.9	77.2
Others	7.1	0.5
Taxation	(141.9)	(673.8)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

11 Loss Per Share

	The Group			
	FY2021/22		FY2020/21	
	Basic	Diluted	Basic	Diluted
Loss attributable to owners of the Company (in \$ million)	(962.0)	(962.0)	(4,270.7)	(4,270.7)
Adjustment for the potential dilution from share-based incentive plans of subsidiary companies (in \$ million)	-	(0.2)	-	-
Adjusted net loss attributable to owners of the Company (in \$ million)	(962.0)	(962.2)	(4,270.7)	(4,270.7)
Weighted average number of ordinary shares in issue (in million)	5,945.0	5,945.0	4,161.8	4,161.8
Adjustment for dilutive potential ordinary shares (in million)	-	-	-	-
Weighted average number of ordinary shares in issue used for computing loss per share (in million)	5,945.0	5,945.0	4,161.8	4,161.8
Loss per share (cents)	(16.2)	(16.2)	(102.6)	(102.6)

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year, and assuming the conversion of all MCBs.

For purposes of calculating diluted loss per share, the loss attributable to owners of the Company is adjusted to take into account the potential dilution from share-based incentive plans of subsidiary companies and the weighted average number of ordinary shares of the Company in issue is adjusted to take into account effects of dilutive share-based incentive plans of the Company.

The average market value of the Company's shares for purposes of calculating the potential dilution from share-based incentive plans was based on quoted market prices for the period.

With the completion of the issuance of MCBs on 24 June 2021, prior year comparatives for loss per share were restated through retrospective application of a bonus factor to the average weighted number of shares. The bonus factor is derived from the division of fair value per share immediately before the exercise of rights by the theoretical ex-rights fair value.

12 Dividends Paid and Proposed (in \$ million)

No dividends were declared, paid or proposed by the Group and the Company to the owners of the Company for the financial year ended 31 March 2022 (FY2020/21: nil).

During the financial year, total dividends of \$1.4 million (FY2020/21: \$14.3 million) were paid to non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

13 Share Capital (in \$ million)

	The Group and the Company			
	Number of shares		Amount	
	2022	2021	2022	2021
Issued and fully paid share capital				
Ordinary shares				
Balance at 1 April	2,977,543,504	1,199,851,018	7,180.2	1,856.1
Shares issued pursuant to rights issue	-	1,777,692,486	-	5,324.1
Balance at 31 March	2,977,543,504	2,977,543,504	7,180.2	7,180.2
Special share				
Balance at 1 April and 31 March	1	1	#	#

The value is \$0.50

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares, which have no par value, carry one vote per share without restriction. All shares rank equally with regards to the Group's residual assets.

The Company's ability to operate its existing route network and flight frequency is derived solely from and dependent entirely on the Air Service Agreements ("ASAs") concluded between the Government of Singapore and the governments of other countries. ASAs are therefore critical to the Company's operations. In almost all the ASAs, it is a condition that the Company must at all times be "effectively controlled" and "substantially owned" by Singapore nationals for the tenure of the respective ASAs.

In order to comply with the above requirement, one non-tradeable Special Share was issued to the Ministry of Finance ("the Special Member"). The Special Share enjoys all the rights attached to ordinary shares. In addition, pursuant to Article 3A of the Articles of Association, no resolution may be passed on certain matters without prior written approval of the Special Member.

The Company can also issue non-tradeable redeemable cumulative preference shares, which carry full voting rights ("ASA shares"). When issued, the ASA shares will be paid at \$0.01 each and will carry equal voting rights as those of ordinary shares. These shares will be issued only when the Directors determine that the Company's operating rights under any of the ASAs are threatened by reason of the nationality of the majority shareholders.

During the previous financial year, the Company issued 1,777,692,486 new shares pursuant to the rights issue, raising capital of \$5,324.1 million. The equity raised strengthened the Company's balance sheet and built liquidity during a period of significant uncertainty.

No shares were issued (FY2020/21: nil) upon vesting of share-based incentive plans during the year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

14 Mandatory Convertible Bonds (in \$ million)

	The Group and the Company 31 March	
	2022	2021
Balance as at 1 April	3,496.1	–
Issued during the year	6,196.8	3,496.1
Transaction costs	(1.7)	–
Balance as at 31 March	9,691.2	3,496.1

In the previous financial year, as part of the Company's efforts in proactively building liquidity and strengthening its balance sheet during the period of uncertainty, the Company issued \$3,496.1 million of MCBs which are classified as equity. The Group's intent was to not burden the balance sheet with additional debt which may restrict the Group's ability to raise financing in the future. MCBs have been elected as the most appropriate instrument due to their financial flexibility, as it allows the Group to repay MCB holders in the future when the Group's situation improves and to avoid dilution of existing shareholders while being able to immediately strengthen the capital stock.

The MCBs were issued in the denomination of \$1.00 for each MCB, on the basis of 295 MCBs for every 100 existing ordinary shares held by shareholders on 8 June 2020. They will mandatorily convert into ordinary shares of the Company on 8 June 2030. The MCBs shall be convertible on the conversion date only. At the end of the 10-year tenure of the MCBs, 1,304,626,600 ordinary shares will be issued upon mandatory conversion of the MCBs, subject to any prior redemption of the MCBs. The MCBs may be redeemable at the option of the Company in whole or in part on every six-month anniversary of the issue date at fixed amounts.

During the current financial year, the Company issued \$6,196.8 million of additional MCBs ("Rights 2021 MCBs").

The Rights 2021 MCBs were issued in the denomination of \$1.00 for each MCB, on the basis of 209 MCBs for every 100 existing ordinary shares held by shareholders on 28 May 2021. They will mandatorily convert into ordinary shares of the Company on 8 June 2030. The MCBs shall be convertible on the conversion date only. At the end of the 10-year tenure of the MCBs, 2,173,960,638 ordinary shares will be issued upon mandatory conversion of the Rights 2021 MCBs, subject to any prior redemption of the MCBs. The MCBs may be redeemable at the option of the Company in whole or in part on every six-month anniversary of the issue date at fixed amounts.

The total number of ordinary shares to be issued on 8 June 2030, the end of the 10-year tenure of the MCBs is 3,478,587,238.

15 Treasury Shares (in \$ million)

	The Group and the Company 31 March	
	2022	2021
Balance at 1 April	(133.2)	(156.0)
Treasury shares reissued pursuant to equity compensation plans:		
- Transferred from share-based compensation reserve	26.7	22.8
Balance at 31 March	(106.5)	(133.2)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

During the financial year, the Company did not purchase any treasury shares (FY2020/21: nil).

The Company reissued 2,441,413 (FY2020/21: 1,965,965) treasury shares pursuant to share-based incentive plans and 80,300 (FY2020/21: 186,200) treasury shares on payment of Directors' remuneration. The number of treasury shares as at 31 March 2022 was 10,048,816 (2021: 12,570,529).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

16 Other Reserves (in \$ million)

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Capital reserve	(107.3)	(96.8)	(881.6)	(871.4)
Foreign currency translation reserve	(16.2)	(16.9)	-	-
Share-based compensation reserve	20.7	20.8	16.7	17.1
Fair value reserve	1,076.2	(178.6)	939.5	(136.6)
General reserve	4,673.6	5,634.3	6,655.7	6,959.7
	5,647.0	5,362.8	6,730.3	5,968.8

(a) Capital reserve

Capital reserve for the Group mainly arose from the loss on the acquisition of non-controlling interests in a subsidiary company, revaluation of land and buildings owned by Ritz-Carlton Millenia Properties Private Limited, an associated company, gains or losses on the reissuance of treasury shares and the equity component on convertible bonds.

Capital reserve for the Company mainly arose from the re-integration of Singapore Airlines Cargo Pte Ltd ("SIA Cargo") in FY2018/19, gains or losses on the reissuance of treasury shares and the equity component on convertible bonds.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Share-based compensation reserve

Share-based compensation reserve consists of equity-settled share options and awards granted to employees, that is made up of the cumulative value of services received from employees recorded on grant of equity-settled share awards.

(d) Fair value reserve

Fair value reserve records the cumulative fair value changes of financial assets measured at FVOCI and the portion of the fair value changes (net of tax) on derivative financial instruments designated as hedging instruments in cash flow hedges that are determined to be effective hedges.

Breakdown of the fair value reserves is as follows:

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Derivative financial instruments designated as hedging instruments	1,076.2	(178.6)	939.5	(136.6)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

16 Other Reserves (in \$ million) (continued)

(d) Fair value reserve (continued)

Fair value changes of derivative financial instruments designated as hedging instruments in cash flow hedges:

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Gain on fair value changes	1,429.1	1,301.7	1,233.0	1,112.6
Discontinued fuel hedges reclassified to profit or loss, recognised in "Fuel hedging ineffectiveness"	-	412.8	-	259.4
Discontinued foreign currency hedges reclassified to profit or loss, recognised in "Other operating expenses"	-	(4.4)	-	(2.8)
Recognised in the carrying values of non-financial assets on occurrence of capital expenditure commitments	5.1	(32.3)	5.1	(32.3)
Recognised in the profit and loss account on occurrence of:				
Fuel hedging contracts recognised in "Fuel costs"	(181.9)	277.4	(163.0)	251.0
Foreign currency contracts recognised in "Other operating expenses"	1.0	10.6	1.0	9.8
	1,253.3	1,965.8	1,076.1	1,597.7

(e) General reserve

General reserve comprises mainly retained earnings of the Group and the Company. Movements in the Group's and the Company's general reserves are set out in the Statements of Changes in Equity respectively.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

17 Deferred Taxation (in \$ million)

	The Group				The Company	
	Statement of financial position		Profit and loss		Statement of financial position	
	31 March				31 March	
	2022	2021	FY2021/22	FY2020/21	2022	2021
The deferred taxation arises as a result of:						
Deferred tax liabilities						
Differences in depreciation	1,657.8	1,871.2	(213.4)	(420.9)	1,382.6	1,566.2
Revaluation to fair value						
- fuel hedging contracts	398.2	34.2	-	-	398.2	34.2
- currency hedging contracts	-	0.6	-	-	-	0.5
- cross currency swap contracts	-	2.3	-	-	-	2.3
- interest rate swap contracts	27.9	18.0	-	-	27.9	18.0
Other temporary differences	32.7	25.5	7.2	3.8	25.3	17.8
Gross deferred tax liabilities	2,116.6	1,951.8	(206.2)	(417.1)	1,834.0	1,639.0
Deferred tax assets						
Unabsorbed capital allowances and tax losses	(64.0)	(206.0)	142.0	(127.4)	-	(113.3)
Lease liabilities	(622.2)	(484.8)	(137.4)	(169.4)	(468.7)	(392.9)
Revaluation to fair value						
- fuel hedging contracts	(213.0)	(63.1)	-	-	(240.3)	(59.3)
- currency hedging contracts	-	(0.5)	-	-	-	(0.5)
- cross currency swap contracts	-	(0.1)	-	-	-	(0.1)
- interest rate swap contracts	(2.5)	(18.4)	-	-	(2.2)	(15.6)
Other temporary differences	(150.6)	(146.4)	(6.5)	(5.4)	(40.0)	(38.4)
Gross deferred tax assets	(1,052.3)	(919.3)	(1.9)	(302.2)	(751.2)	(620.1)
Net deferred tax liabilities	1,064.3	1,032.5			1,082.8	1,018.9
Deferred tax charged to profit and loss			(208.1)	(719.3)		
Deferred tax charged to equity	237.6	416.5			201.4	315.1

At the end of the reporting period, there was no deferred tax liability (2021: nil) recognised for taxes that would be payable on the undistributed earnings of one of the Group's overseas subsidiary companies.

For the other subsidiary companies of the Group, no deferred tax liability has been recognised as the Group has determined that undistributed earnings of these subsidiary companies will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognised aggregate to \$16.7 million (2021: \$13.9 million). The deferred tax liability is estimated to be \$5.0 million (2021: \$4.2 million).

During the financial year, the Company recognised deferred tax assets of \$2.7 million (FY2020/21: \$20.2 million) arising from the integration of SilkAir.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

18 Borrowings (in \$ million)

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
<u>Current Liabilities - Borrowings</u>				
Notes payable	-	200.0	-	200.0
Loans	606.8	707.1	539.2	642.8
	606.8	907.1	539.2	842.8
<u>Non-current Liabilities - Borrowings</u>				
Notes payable	5,655.7	4,845.7	5,655.7	4,845.7
Loans	4,966.7	4,951.4	4,716.7	4,650.9
Convertible bonds	783.1	767.7	783.1	767.7
	11,405.5	10,564.8	11,155.5	10,264.3

Notes payable

Notes payable as at 31 March 2022 comprised unsecured notes issued by the Company. The details are set out below.

Series	Currency	Fixed interest rate per annum	Year of maturity	31 March 2022		31 March 2021	
				Face value	Carrying value	Face value	Carrying value
SGD10 Billion Multicurrency Medium Term Note Programme							
002	SGD	3.145%	2021	–	–	200.0	200.0
003	SGD	3.75%	2024	300.0	300.0	300.0	300.0
004	SGD	3.13%	2026	630.0*	631.5	630.0*	631.8
005	SGD	3.035%	2025	700.0	699.5	700.0	699.3
006	SGD	3.13%	2027	700.0	699.2	700.0	699.1
007	SGD	3.16%	2023	600.0	599.7	600.0	599.5
008	SGD	3.50%	2030	500.0	499.1	500.0	499.0
009	SGD	3.00%	2026	676.7	673.2	672.6	668.5
010	USD	3.375%	2029	812.0	804.5	–	–
SGD2 Billion Medium Term Bond Programme							
001	SGD	3.03%	2024	750.0	749.0	750.0	748.5
				5,668.7	5,655.7	5,052.6	5,045.7

* Comprised \$430.0 million in aggregate principal amount issued on 17 November 2016 and \$200.0 million in aggregate principal amount issued on 17 October 2017 that was consolidated into Series 004.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

18 Borrowings (in \$ million) (continued)

Loans

The Group

Type	Currency	Interest rate per annum	Year of maturity	31 March 2022		31 March 2021	
				Face value	Carrying value	Face value	Carrying value
Fixed Rate							
Secured bank loan	SGD	2.86%	2028	613.6	612.7	698.3	697.0
Secured bank loan	SGD	2.92%	2028	300.0	297.9	348.0	345.7
Secured bank loan	SGD	2.62%	2029	654.2	653.1	738.3	736.8
Secured bank loan	SGD	0.34%	2029	116.3	116.0	131.3	131.0
Secured bank loan	SGD	0.35%	2029	119.0	118.8	133.0	132.8
Secured bank loan	SGD	2.10%	2030	300.0	297.9	300.0	299.0
Secured bank loan	SGD	2.19%	2030	271.2	269.6	300.0	298.1
Secured bank loan	SGD	2.15%	2032	269.1	267.1	291.7	289.3
Secured bank loan	SGD	2.14%	2030	135.6	134.4	150.0	148.6
Secured bank loan	SGD	2.15%	2032	263.0	260.6	300.0	297.1
Secured bank loan	SGD	1.92%	2030	258.6	256.0	286.3	283.4
Secured bank loan	SGD	1.98%	2030	135.5	134.6	150.0	148.9
Secured bank loan	SGD	2.07%	2030	142.8	142.1	150.0	149.1
Secured bank loan	SGD	2.24%	2031	142.9	142.0	150.0	149.0
Secured bank loan	EUR	0.46%	2029	117.5	117.2	138.5	138.2
Secured bank loan	EUR	0.65% - 0.68%	2029 - 2030	717.4	716.0	843.7	841.8
Secured bank loan	JPY	0.41%	2029	198.9	198.5	245.2	244.5
Unsecured bank loan	SGD	1.14% - 1.19%	2021	-	-	150.0	150.0
Third-party financing	SGD	4.90%	2023 - 2024	819.3	819.3	159.1	159.1
Floating rate							
Unsecured bank loan	USD	1.44%	2022	-	-	9.2	9.2
Revolving credit facility	USD	2.38%	2022	2.8	2.8	-	-
Revolving credit facility	USD	2.70%	2021	-	-	0.7	0.7
Revolving credit facility	SGD	1.63%	2022	3.0	3.0	-	-
Revolving credit facility	SGD	2.68%	2022	8.0	8.0	-	-
Revolving credit facility	SGD	1.41%	2021	-	-	3.0	3.0
Trust receipt	SGD	1.39%	2022	5.9	5.9	-	-
Trust receipt	SGD	1.17%	2021	-	-	6.2	6.2
				5,594.6	5,573.5	5,682.5	5,658.5

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

18 Borrowings (in \$ million) (continued)

Loans (continued)

The Company

Type	Currency	Interest rate per annum	Year of maturity	31 March 2022		31 March 2021	
				Face value	Carrying value	Face value	Carrying value
<u>Fixed Rate (Post interest rate and cross currency swaps)</u>							
Secured bank loan	SGD	2.86%	2028	613.6	612.7	698.3	697.0
Secured bank loan	SGD	2.62%	2029	654.2	653.1	738.3	736.8
Secured bank loan	SGD	0.34%	2029	116.3	116.0	131.3	131.0
Secured bank loan	SGD	0.35%	2029	119.0	118.8	133.0	132.8
Secured bank loan	SGD	2.10%	2030	300.0	297.9	300.0	299.0
Secured bank loan	SGD	2.19%	2030	271.2	269.6	300.0	298.1
Secured bank loan	SGD	2.15%	2032	269.1	267.1	291.7	289.3
Secured bank loan	SGD	2.14%	2030	135.6	134.4	150.0	148.6
Secured bank loan	SGD	2.15%	2032	263.0	260.6	300.0	297.1
Secured bank loan	SGD	1.92%	2030	258.6	256.0	286.3	283.4
Secured bank loan	SGD	1.98%	2030	135.5	134.6	150.0	148.9
Secured bank loan	SGD	2.07%	2030	142.8	142.1	150.0	149.1
Secured bank loan	SGD	2.24%	2031	142.9	142.0	150.0	149.0
<u>Fixed rate</u>							
Secured bank loan	EUR	0.46%	2029	117.5	117.2	138.5	138.2
Secured bank loan	EUR	0.65% - 0.68%	2029 – 2030	717.4	716.0	843.7	841.8
Secured bank loan	JPY	0.41%	2029	198.9	198.5	245.2	244.5
Unsecured bank loan	SGD	1.14% - 1.19%	2021	–	–	150.0	150.0
Third-party financing	SGD	4.90%	2023 – 2024	819.3	819.3	159.1	159.1
				5,274.9	5,255.9	5,315.4	5,293.7

The Group uses interest rate swaps to hedge the variability of future interest payments on a floating rate loan attributable to movements in the relevant benchmark interest rates. As at 31 March 2022, the Group and Company had floating rate loans with nominal amounts of \$4,426.8 million (2021: \$4,976.3 million) and \$4,126.8 million (2021: \$4,628.3 million) which are hedged with interest rate swaps (refer to note 41(c)).

The third-party financing pertained to an arrangement with a third-party financier to finance the pre-delivery payments for certain aircraft. Under this arrangement, the Company will make periodic payments to the financier.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

18 Borrowings (in \$ million) (continued)

Convertible bonds

	The Group and the Company	
	2022	2021
Balance at 1 April	767.1	–
Proceeds from issue of convertible bonds	–	850.0
Transaction costs	–	(8.5)
Net proceeds	–	841.5
Amount classified as equity	–	(74.3)
Amortised bond principal	13.8	–
Amortised transaction costs	1.6	0.5
Balance at 31 March	783.1	767.7

During the prior year, the Company issued \$850.0 million in principal amount of convertible bonds due 2025. These convertible bonds bear interest at 1.625% per annum, payable semi-annually in arrears. The initial conversion price is \$5.743 and is subject to adjustments under certain events set out in the Trust Deed for the convertible bonds. The bonds are convertible at the option of the holder, at the prevailing conversion price from 13 January 2021 to 24 November 2025 (both dates inclusive).

The equity conversion component on initial recognition of the convertible bonds is \$74.3 million.

19 Other Long-term Liabilities (in \$ million)

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Maintenance reserve	1.8	1.8	1.8	1.8
Promissory notes	–	219.8	–	219.8
Derivative liabilities (refer to note 41)	1,075.9	284.8	1,075.9	274.7
	1,077.7	506.4	1,077.7	496.3

The promissory notes bear interest of 1.75% (FY2020/21: 1.75%) per annum with maturity dates ranging from April to July 2022 and are denominated in USD. As at 31 March 2022, all promissory notes were classified as current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

20 Provisions (in \$ million)

Included are provisions for return costs for leased aircraft, warranty claims and crew gratuity. It is expected that the return costs will be incurred by the end of the lease terms.

An analysis of the provisions is as follows:

	The Group		
	Return costs for leased aircraft	Others	Total
Balance at 1 April 2020	1,309.4	45.3	1,354.7
Provision during the year	196.3	188.8	385.1
Provision written back during the year	(39.5)	(1.4)	(40.9)
Provision utilised during the year	(242.6)	(62.3)	(304.9)
Balance at 31 March 2021	1,223.6	170.4	1,394.0
Current	277.6	151.3	428.9
Non-current	946.0	19.1	965.1
	1,223.6	170.4	1,394.0
Balance at 1 April 2021	1,223.6	170.4	1,394.0
Provision during the year	211.3	55.6	266.9
Provision written back during the year	(11.7)	(19.7)	(31.4)
Provision utilised during the year	(202.8)	(98.9)	(301.7)
Balance at 31 March 2022	1,220.4	107.4	1,327.8
Current	130.5	52.9	183.4
Non-current	1,089.9	54.5	1,144.4
	1,220.4	107.4	1,327.8

	The Company		
	Return costs for leased aircraft	Others	Total
Balance at 1 April 2020	578.6	36.2	614.8
Provision during the year	94.0	186.3	280.3
Provision utilised during the year	(201.7)	(55.9)	(257.6)
Effects of integration of SilkAir	93.1	–	93.1
Balance at 31 March 2021	564.0	166.6	730.6
Current	196.0	147.5	343.5
Non-current	368.0	19.1	387.1
	564.0	166.6	730.6
Balance at 1 April 2021	564.0	166.6	730.6
Provision during the year	131.9	53.4	185.3
Provision written back during the year	–	(19.7)	(19.7)
Provision utilised during the year	(171.1)	(95.9)	(267.0)
Effects of integration of SilkAir	10.9	–	10.9
Balance at 31 March 2022	535.7	104.4	640.1
Current	87.1	49.9	137.0
Non-current	448.6	54.5	503.1
	535.7	104.4	640.1

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

21 Property, Plant and Equipment (in \$ million)

The Group

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2020	23,574.5	551.0	321.2
Additions	132.9	11.2	-
Transfers	1,743.7	0.6	11.3
Transfer to assets held for sale	(525.2)	9.5	-
Disposals	(1,716.5)	(10.5)	-
Disposal of a subsidiary company	-	-	-
Write-off	(5.5)	-	-
Exchange differences	(47.2)	(0.3)	-
At 31 March 2021	23,156.7	561.5	332.5
Additions	80.7	11.9	-
Transfers	1,348.5	0.7	12.8
Transfer to assets held for sale	(365.3)	-	(52.5)
Disposals	(1,513.7)	(12.4)	-
Write-off	(2.6)	-	-
Exchange differences	10.6	-	-
At 31 March 2022	22,714.9	561.7	292.8
Accumulated depreciation and impairment losses			
At 1 April 2020	4,594.6	328.3	138.9
Depreciation	1,572.5	19.0	23.8
Impairment losses	976.4	12.5	25.5
Transfers	(8.7)	-	8.7
Transfer to assets held for sale	(435.6)	6.7	-
Disposals	(239.3)	(5.3)	-
Disposal of a subsidiary company	-	-	-
Write-off	(5.5)	-	-
Exchange differences	-	(0.3)	-
At 31 March 2021	6,454.4	360.9	196.9
Depreciation	1,343.1	17.0	19.4
Impairment losses	38.0	-	-
Transfers	(1.5)	-	1.5
Transfer to assets held for sale	(231.6)	-	(46.7)
Disposals	(597.7)	(11.0)	-
Write-off	(2.6)	-	-
Exchange differences	-	-	-
At 31 March 2022	7,002.1	366.9	171.1
Net book value			
At 31 March 2021	16,702.3	200.6	135.6
At 31 March 2022	15,712.8	194.8	121.7

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

	Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
	15.7	135.4	633.8	728.7	347.1	5,680.9	31,988.3
	-	-	0.4	12.5	4.5	2,693.5	2,855.0
	-	-	-	69.6	18.0	(1,843.2)	-
	-	-	-	-	-	-	(515.7)
	-	-	(0.3)	(32.7)	(5.3)	-	(1,765.3)
	-	-	(0.5)	(14.1)	(2.3)	-	(16.9)
	-	-	-	-	(2.4)	(75.5)	(83.4)
	-	-	(2.7)	(2.2)	0.2	-	(52.2)
	15.7	135.4	630.7	761.8	359.8	6,455.7	32,409.8
	-	-	0.1	5.8	11.5	3,527.1	3,637.1
	-	-	4.2	3.9	1.2	(1,371.3)	-
	-	-	-	-	-	-	(417.8)
	-	-	-	(8.3)	(5.9)	-	(1,540.3)
	-	-	-	-	-	-	(2.6)
	-	-	0.2	0.2	-	-	11.0
	15.7	135.4	635.2	763.4	366.6	8,611.5	34,097.2
	-	127.4	499.7	521.5	292.1	-	6,502.5
	-	2.9	10.8	65.6	22.6	-	1,717.2
	-	-	22.3	17.1	-	388.2	1,442.0
	-	-	-	-	-	-	-
	-	-	-	-	-	-	(428.9)
	-	-	(0.2)	(32.5)	(5.1)	-	(282.4)
	-	-	(0.3)	(11.3)	(2.0)	-	(13.6)
	-	-	-	-	(2.3)	-	(7.8)
	-	-	(0.7)	(1.7)	0.2	-	(2.5)
	-	130.3	531.6	558.7	305.5	388.2	8,926.5
	-	2.9	9.8	53.2	18.7	-	1,464.1
	-	-	-	1.0	-	-	39.0
	-	-	-	1.1	(1.1)	-	-
	-	-	-	-	-	-	(278.3)
	-	-	-	(8.0)	(5.6)	-	(622.3)
	-	-	-	-	-	-	(2.6)
	-	-	0.1	0.1	-	-	0.2
	-	133.2	541.5	606.1	317.5	388.2	9,526.6
	15.7	5.1	99.1	203.1	54.3	6,067.5	23,483.3
	15.7	2.2	93.7	157.3	49.1	8,223.3	24,570.6

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

21 Property, Plant and Equipment (in \$ million) (continued)

The Company

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2020	18,954.5	422.0	110.6
Additions	132.7	7.9	-
Transfers	1,582.2	-	-
Transfer to assets held for sale	(282.1)	-	-
Effects of integration of SilkAir	53.9	-	-
Disposals	(1,605.2)	(8.8)	-
Exchange differences	(26.8)	-	-
At 31 March 2021	18,809.2	421.1	110.6
Additions	80.7	9.3	-
Transfers	1,318.0	-	2.2
Transfer to assets held for sale	(32.2)	-	-
Effects of integration of SilkAir	393.1	14.2	56.7
Disposals	(1,427.2)	(2.3)	-
Exchange differences	8.8	-	-
At 31 March 2022	19,150.4	442.3	169.5
Accumulated depreciation and impairment losses			
At 1 April 2020	3,404.2	241.3	31.8
Depreciation	1,335.4	11.8	15.6
Impairment losses	752.6	10.4	16.6
Transfer to assets held for sale	(256.9)	-	-
Effects of integration of SilkAir	21.8	-	-
Disposals	(146.4)	(3.8)	-
At 31 March 2021	5,110.7	259.7	64.0
Depreciation	1,172.1	11.8	15.4
Impairment losses	38.0	-	-
Transfers	(1.5)	-	1.5
Transfer to assets held for sale	(14.9)	-	-
Effects of integration of SilkAir	63.4	4.1	15.2
Disposals	(511.6)	(1.0)	-
At 31 March 2022	5,856.2	274.6	96.1
Net book value			
At 31 March 2021	13,698.5	161.4	46.6
At 31 March 2022	13,294.2	167.7	73.4

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
15.7	135.4	330.1	378.8	255.1	4,295.4	24,897.6
-	-	-	3.5	3.4	2,253.7	2,401.2
-	-	-	68.6	13.2	(1,664.0)	-
-	-	-	-	-	-	(282.1)
-	-	-	-	-	482.4	536.3
-	-	-	(25.6)	(3.7)	(67.5)	(1,710.8)
-	-	-	-	-	-	(26.8)
15.7	135.4	330.1	425.3	268.0	5,300.0	25,815.4
-	-	-	2.4	10.0	3,267.0	3,369.4
-	-	-	-	0.3	(1,320.5)	-
-	-	-	-	-	-	(32.2)
-	-	-	1.8	1.4	63.2	530.4
-	-	-	(1.6)	(5.1)	-	(1,436.2)
-	-	-	-	-	-	8.8
15.7	135.4	330.1	427.9	274.6	7,309.7	28,255.6
-	127.4	319.6	239.2	218.5	-	4,582.0
-	2.9	1.8	45.8	14.4	-	1,427.7
-	-	-	4.5	-	388.2	1,172.3
-	-	-	-	-	-	(256.9)
-	-	-	-	-	-	21.8
-	-	-	(25.7)	(3.7)	-	(179.6)
-	130.3	321.4	263.8	229.2	388.2	6,767.3
-	2.9	1.8	38.2	12.4	-	1,254.6
-	-	-	1.0	-	-	39.0
-	-	-	-	-	-	-
-	-	-	-	-	-	(14.9)
-	-	-	1.6	1.4	-	85.7
-	-	-	(1.5)	(4.7)	-	(518.8)
-	133.2	323.2	303.1	238.3	388.2	7,612.9
15.7	5.1	8.7	161.5	38.8	4,911.8	19,048.1
15.7	2.2	6.9	124.8	36.3	6,921.5	20,642.7

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

21 Property, Plant and Equipment (in \$ million) (continued)

Assets held as security

The Company's aircraft with carrying amount of \$5,219.5 million (2021: \$5,510.8 million) are pledged as security to the banks.

Scot Tigerair Pte. Ltd.'s aircraft with carrying amount of \$408.0 million (2021: \$432.2 million) are pledged as security to the banks.

Impairment of aircraft

During FY2021/22, a review of the Group's network and fleet requirements was carried out based on the latest expected recovery profile. Pursuant to the review, impairment charges of \$57.2 million on two leased 737-800NGs identified as surplus to requirements (refer to note 22) and further write-down to three previously impaired 777-300ERs due to changes in trade-in plans were recorded. There was a further impairment of \$11.6 million of two held-for-sale 777-200 aircraft due to changes in market values. In addition, a write-back of \$18.3 million was recorded on previously impaired aircraft with updates in estimated provisions required.

During the previous financial year, the Group reviewed the potential shape and size of its overall network to determine the resultant fleet size and mix needed for future operations. As a result, the Group removed 45 surplus older generation aircraft from the operating fleet of FSC and LCC CGUs and recorded an impairment loss of \$1,734.3 million to write down the aircraft to their estimated recoverable values. Included as part of the amount are the impairments related to owned and leased aircraft, spare engines, spares and inventories, write-off of advanced progress payments for engine overhauls, and additional release costs and other related costs which arose from the impairment review exercise.

Impairment of aircraft spares

During the previous financial year, the carrying amounts of the aircraft spares exceeded the recoverable amounts and the Group recognised an impairment loss of \$2.0 million on its aircraft spares.

Impairment of base maintenance assets

The pandemic has contributed to the early retirement of specific aircraft types, leading to a surplus in the supply of related aircraft rotatable spares available in the market. With increasing difficulty in selling certain aircraft rotatable spares that were classified as "assets held for sale" since the previous years, the Group further wrote down the value of the assets held for sale to expected scrap value. As a result, the Group recognised an impairment loss on base maintenance assets of \$8.4 million.

During the previous financial year, demand for hangar checks declined significantly due to low flight hours and grounding of aircraft, and was expected to remain weak in the short to medium term. As a result, the Group recognised an impairment loss on base maintenance assets of \$36.9 million, comprising \$35.0 million in property, plant and equipment and \$1.9 million of assets held for sale.

Impairment test

The Covid-19 pandemic and its detrimental effect on the travel industry caused by global travel restrictions and border controls continues to have an adverse impact on profits and cash flows. Management has determined that this event is an indicator that the Property, Plant and Equipment and Intangible Assets may be impaired. Management's impairment test included the following CGUs:

FSC CGU

The recoverable amount of the FSC CGU has been determined based on value-in-use calculations using cash flow projections from financial forecasts approved by Management covering a five-year period (2021: five-year period). The financial forecasts which were approved include Management's planned recovery from Covid-19 related global travel restrictions and border controls. The post-tax discount rate applied to cash flow projections is 7.0% (2021: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period (2021: five-year period) is 4.0% (2021: 4.0%).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

21 Property, Plant and Equipment (in \$ million) (continued)

Impairment test (continued)

LCC CGU

The recoverable amount of the LCC CGU has been determined based on value-in-use calculations using cash flow projections from financial forecasts approved by Management covering a five-year period (2021: five-year period). The financial forecasts which were approved include Management's planned recovery from Covid-19 related global travel restrictions and border controls. The post-tax discount rate applied to cash flow projections is 7.0% (2021: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period (2021: five-year period) is 5.0% (2021: 5.1%).

Sensitivity Analysis

The calculations of value-in-use for the FSC and LCC CGUs are most sensitive to the following assumptions:

Yield – The forecast yield is set with regards to the CGU's historical performance, operation plans and expected economic and market conditions. The forecast yield does not exceed historical yield achieved.

Growth rate – The forecast long-term growth rate is based on published industry research and does not exceed the long-term average growth rate for the industry.

The impairment assessment is sensitive to changes to these assumptions and any significant adverse movements in these assumptions could impact the results of the impairment test.

Assets held for sale

Following the review of the Group's fleet plan and cessation of certain inventory management contracts, certain aircraft and aircraft spares were classified as held for sale as the Group had decided to sell the aircraft and aircraft spares. The sale of the aircraft and spares is expected to be completed within one year.

	The Group	The Company
Balance as at 1 April 2020	14.2	–
Reclassification from property, plant and equipment	86.8	25.2
Impairment losses	(1.9)	–
Disposal during the year	(0.5)	–
Balance as at 31 March 2021	98.6	25.2
Reclassification from property, plant and equipment	139.5	17.3
Effects of integration of SilkAir	–	154.3
Impairment losses	(20.0)	(11.6)
Disposal during the year	(184.5)	(184.3)
Exchange differences	3.5	3.5
Balance as at 31 March 2022	37.1	4.4

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

22 Right-of-Use Assets (in \$ million)

The Group

	Aircraft	Aircraft spare engines	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Total
At 1 April 2020	1,277.6	17.5	179.8	2.6	0.2	1,477.7
Additions	1,156.5	275.0	27.7	0.5	-	1,459.7
Reassessment and modifications	(8.7)	(11.1)	(13.2)	(0.1)	-	(33.1)
Disposal of a subsidiary company	-	-	(0.1)	-	-	(0.1)
Depreciation	(290.5)	(7.3)	(59.7)	(1.1)	(0.1)	(358.7)
Impairment	(149.8)	-	-	-	-	(149.8)
At 31 March 2021	1,985.1	274.1	134.5	1.9	0.1	2,395.7
Additions	1,319.8	-	47.8	0.5	1.0	1,369.1
Reassessment and modifications	(0.4)	-	7.3	0.1	-	7.0
Depreciation	(381.8)	(27.9)	(52.6)	(1.0)	(0.2)	(463.5)
Impairment	(18.2)	-	-	-	-	(18.2)
At 31 March 2022	2,904.5	246.2	137.0	1.5	0.9	3,290.1

The Company

	Aircraft	Aircraft spare engines	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Total
At 1 April 2020	607.4	16.9	121.1	0.3	-	745.7
Additions	1,156.5	275.0	21.2	0.4	-	1,453.1
Reassessment and modifications	(8.8)	(11.0)	(10.7)	-	-	(30.5)
Depreciation	(150.7)	(6.9)	(44.1)	(0.3)	-	(202.0)
Impairment	(129.7)	-	-	-	-	(129.7)
Effects of integration of SilkAir	147.1	-	-	-	-	147.1
At 31 March 2021	1,621.8	274.0	87.5	0.4	-	1,983.7
Additions	780.0	-	23.9	0.4	1.0	805.3
Reassessment and modifications	(0.1)	-	7.8	0.1	-	7.8
Effects of integration of SilkAir	23.6	-	0.9	-	-	24.5
Depreciation	(277.7)	(27.8)	(38.7)	(0.3)	(0.1)	(344.6)
Impairment	(18.2)	-	-	-	-	(18.2)
At 31 March 2022	2,129.4	246.2	81.4	0.6	0.9	2,458.5

Impairment testing of ROU assets

During the financial year, the Group recognised an impairment loss of \$18.2 million (FY2020/21: \$149.8 million) on its leased aircraft which are considered surplus to operations.

Please refer to note 21 for more details and the impairment assessment of the ROU assets as part of the FSC and LCC CGUs.

Effects of integration of SilkAir

During the financial year, SilkAir novated certain aircraft and property leases to the Company, as part of the integration. The lease liabilities related to these novated leases amounted to \$29.3 million (FY2020/21: \$175.2 million).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

23 Intangible Assets (in \$ million)

The Group

	Goodwill	Brand	Trademarks	Computer software and others	Deferred engine development cost	Advance and progress payments	Total
Cost							
At 1 April 2020	184.4	75.9	25.0	745.2	45.8	43.8	1,120.1
Additions	-	-	-	2.5	0.3	71.3	74.1
Disposals	-	-	-	(0.7)	(0.5)	(5.7)	(6.9)
Disposal of a subsidiary company	-	-	-	(0.4)	-	-	(0.4)
Transfers	-	-	-	74.6	-	(74.6)	-
Write-off	-	-	-	(13.5)	-	(0.7)	(14.2)
Exchange differences	-	-	-	(0.1)	(0.2)	-	(0.3)
At 31 March 2021	184.4	75.9	25.0	807.6	45.4	34.1	1,172.4
Additions	-	-	-	4.3	-	70.1	74.4
Disposals	-	(75.9)	-	(2.0)	(0.6)	-	(78.5)
Transfers	-	-	-	54.6	-	(54.6)	-
Exchange differences	-	-	-	-	0.3	-	0.3
At 31 March 2022	184.4	-	25.0	864.5	45.1	49.6	1,168.6
Accumulated amortisation and impairment losses							
At 1 April 2020	-	75.9	25.0	524.5	7.7	-	633.1
Amortisation	-	-	-	64.2	1.6	-	65.8
Disposals	-	-	-	(0.5)	-	-	(0.5)
Disposal of a subsidiary company	-	-	-	(0.3)	-	-	(0.3)
Impairment losses	170.4	-	-	-	11.4	-	181.8
Write-off	-	-	-	(11.1)	-	-	(11.1)
Exchange differences	-	-	-	(0.1)	2.6	-	2.5
At 31 March 2021	170.4	75.9	25.0	576.7	23.3	-	871.3
Amortisation	-	-	-	70.5	1.5	-	72.0
Disposals	-	(75.9)	-	(2.0)	(0.1)	-	(78.0)
Exchange differences	-	-	-	-	0.1	-	0.1
At 31 March 2022	170.4	-	25.0	645.2	24.8	-	865.4
Net book value							
At 31 March 2021	14.0	-	-	230.9	22.1	34.1	301.1
At 31 March 2022	14.0	-	-	219.3	20.3	49.6	303.2

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

23 Intangible Assets (in \$ million) (continued)

The Company

	Computer software and others	Advance and progress payments	Total
Cost			
At 1 April 2020	619.0	31.4	650.4
Additions	–	64.1	64.1
Transfers	68.5	(68.5)	–
At 31 March 2021	687.5	27.0	714.5
Additions	–	60.8	60.8
Transfers	46.6	(46.6)	–
At 31 March 2022	734.1	41.2	775.3
Accumulated amortisation			
At 1 April 2020	433.8	–	433.8
Amortisation	51.6	–	51.6
At 31 March 2021	485.4	–	485.4
Amortisation	58.9	–	58.9
At 31 March 2022	544.3	–	544.3
Net book value			
At 31 March 2021	202.1	27.0	229.1
At 31 March 2022	189.8	41.2	231.0

Impairment testing of goodwill

The goodwill acquired through the acquisition of Tiger Airways Holdings Pte. Ltd. has an indefinite useful life and is included in the LCC CGU. In the prior year, the Group recognised an impairment loss of \$170.4 million on its goodwill. Given that the airlines are operating in an environment dominated by the challenges brought about by the Covid-19 pandemic, both the pace and nature of recovery are subject to an unusual level of uncertainty. Under certain sets of financial assumptions reflecting more pessimistic future scenarios, the value of the goodwill could no longer be supported.

Please refer to note 21 for the impairment assessment of the LCC CGU.

Impairment of deferred engine development cost

During the previous financial year, the Group recorded an impairment loss of \$11.4 million on the deferred engine development cost, following suspension of one of the aircraft engine development projects.

24 Subsidiary Companies (in \$ million)

	The Company 31 March	
	2022	2021
Investment in subsidiary companies	3,449.0	3,426.6
Accumulated impairment losses	(52.7)	(52.7)
Effects of integration of SIA Cargo	(1,405.0)	(1,405.0)
	1,991.3	1,968.9
Long-term loans to subsidiary companies	3,568.2	3,655.3
Amount owing by a subsidiary company	–	284.0
Accumulated impairment loss	(19.9)	(27.6)
	5,539.6	5,880.6

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

24 Subsidiary Companies (in \$ million) (continued)

During the financial year:

1. The Company incorporated a wholly-owned subsidiary company, Kris+ Pte. Ltd. ("Kris+") on 20 May 2021. As at 31 March 2022, the Company had a total capital contribution in Kris+ of \$0.2 million.
2. The Company injected approximately \$22.2 million in Encounters Pte. Ltd.
3. The name of Simple Holidays Pte. Ltd. was struck off the register on 8 April 2021.
4. SIAEC invested approximately \$0.3 million in Additive Flight Solutions Pte. Ltd.

(a) Composition of the Group

The subsidiary companies are:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 31 March	
			2022	2021
SIA Engineering Company Limited⁽¹⁾ and its subsidiaries	Engineering services	Singapore	77.5	77.6
NexGen Network (1) Holding Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	77.5	77.6
NexGen Network (2) Holding Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	77.5	77.6
SIAEC Global Private Limited ⁽¹⁾	Investment holding	Singapore	77.5	77.6
SIA Engineering (USA), Inc. ⁽⁴⁾	Provide aircraft maintenance services, including technical and non-technical handling at the airport	United States of America	77.5	77.6
SIA Engineering Japan Corporation ⁽⁴⁾	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Japan	77.5	77.6
Singapore Aero Support Services Pte. Ltd. ⁽¹⁾	Maintenance, repair and overhaul of aircraft and cabin components/ systems	Singapore	77.5	77.6
Heavy Maintenance Singapore Services Pte. Ltd. ⁽¹⁾	Provide airframe maintenance component overhaul services	Singapore	77.5	77.6
SIA Engineering (Philippines) Corporation ⁽²⁾	Provide airframe maintenance component overhaul services	Philippines	77.5	77.6
Additive Flight Solutions Pte. Ltd. ^{(1)*}	Additive manufacturing of aircraft cabin parts and tooling for the aerospace industry	Singapore	46.5	46.5
Aerospace Component Engineering Services Pte. Limited ^{(1)*}	Repair and overhaul of hydro-mechanical equipment for Boeing and Airbus aircraft	Singapore	39.5	39.6
Budget Aviation Holdings Pte. Ltd.⁽¹⁾ and its subsidiaries	Investment holding	Singapore	100.0	100.0
Tiger Airways Holdings Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100.0	100.0
Scoot Pte. Ltd. (Previously known as Scoot Tigerair Pte. Ltd.) ⁽¹⁾	Air transportation	Singapore	100.0	100.0
Roar Aviation Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100.0	100.0
Simple Holidays Pte. Ltd. ⁽¹⁾	Inactive	Singapore	–	100.0

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

24 Subsidiary Companies (in \$ million) (continued)

(a) Composition of the Group (continued)

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 31 March	
			2022	2021
Cargo Community Network Pte Ltd⁽¹⁾ and its subsidiary	Providing and marketing of cargo community system	Singapore	51.0	51.0
Cargo Community (Shanghai) Co. Ltd. ⁽³⁾⁺	Marketing and support of portal services for the air cargo industry	People's Republic of China	51.0	51.0
Encounters Pte. Ltd. ⁽¹⁾	Travel booking and related services through an online portal	Singapore	100.0	100.0
Kris+ Pte. Ltd. ⁽¹⁾	Marketing, payment and related services	Singapore	100.0	–
SilkAir (Singapore) Private Limited ⁽¹⁾	Inactive	Singapore	100.0	100.0
Singapore Airlines Cargo Pte Ltd ⁽¹⁾	Inactive	Singapore	100.0	100.0
Singapore Aviation and General Insurance Company (Pte) Limited ⁽¹⁾	Aviation insurance	Singapore	100.0	100.0
Singapore Flying College Pte Ltd ⁽¹⁾	Training of pilots	Singapore	100.0	100.0
Sing-Bi Funds Private Limited ⁽¹⁾	Investment holding	Singapore	100.0	100.0
Tradewinds Tours & Travel Private Limited ⁽¹⁾	Tour wholesaling	Singapore	100.0	100.0
KrisShop Pte. Ltd. ⁽¹⁾	Travel-related retail operations	Singapore	70.0	70.0

⁽¹⁾ Audited by KPMG LLP, Singapore

⁽²⁾ Audited by member firms of KPMG International in the respective countries

⁽³⁾ Audited by Shanghai HDDY Certified Public Accountants Co., Ltd

⁽⁴⁾ Not required to be audited under the law in country of incorporation

* The company is considered a subsidiary of the Group by virtue of the management control over financial and operating policies of the company

+ Financial year end 31 December

Special purpose entities ("SPEs")

Details of the operating SPEs controlled and consolidated by the Group at the end of financial year are as follows:

Name of entity	Purpose of special purpose entity	Country of incorporation
Winnie Aircraft Limited	Financing of aircraft	Mauritius
Falcon Aircraft Limited	Financing of aircraft	Mauritius

The SPEs are held by Tiger Airways Holdings Pte. Ltd. and are audited by Ernst & Young LLP, Mauritius.

Although the Group does not hold shares in these companies, they are considered subsidiary companies as the activities of the SPEs are being conducted on behalf of the Group according to its specific business needs and the Group retains the majority of the residual or ownership risks related to the assets held by these SPEs. These SPEs were incorporated for the sole purpose of financing of the Group's aircraft.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

24 Subsidiary Companies (in \$ million) (continued)

(b) Interest in subsidiary company with material non-controlling interests ("NCI")

The Group has the following subsidiary company that has NCI that are material to the Group:

	SIA Engineering Company Group of Companies 31 March	
	2022	2021
Proportion of ownership interest held by NCI	22.5%	22.4%
Profit/(Loss) allocated to NCI during the reporting period	15.4	(10.8)
Accumulated NCI at the end of reporting period	373.0	354.4
Dividends paid to NCI	0.4	12.9

(c) Summarised financial information about subsidiary company with material NCI

Summarised financial information before intercompany eliminations of the subsidiary company with material non-controlling interests are as follows:

Summarised statement of financial position

	SIA Engineering Company Group of Companies 31 March	
	2022	2021
<u>Current</u>		
Assets	912.8	926.0
Liabilities	(177.8)	(209.1)
Net current assets	735.0	716.9
<u>Non-current</u>		
Assets	925.4	883.8
Liabilities	(39.0)	(56.5)
Net non-current assets	886.4	827.3
Net assets	1,621.4	1,544.2

Summarised statement of comprehensive income

	SIA Engineering Company Group of Companies	
	FY2021/22	FY2020/21
Revenue	566.1	443.0
Profit/(Loss) before tax	49.2	(35.6)
Taxation	18.6	16.0
Profit/(Loss) after tax	67.8	(19.6)
Other comprehensive income	6.5	(34.4)
Total comprehensive income	74.3	(54.0)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

24 Subsidiary Companies (in \$ million) (continued)

(c) Summarised financial information about subsidiary company with material NCI (continued)

Other summarised information

	SIA Engineering Company Group of Companies	
	FY2021/22	FY2020/21
Net cash flow from operations	29.2	165.8
Acquisition of significant property, plant and equipment	(18.4)	(15.2)

25 Associated Companies (in \$ million)

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Investment in associated companies	817.5	845.2	926.4	773.5
Accumulated impairment losses	(11.7)	(12.1)	(441.2)	(441.2)
	805.8	833.1	485.2	332.3

During the financial year:

1. The Company injected \$152.9 million in TATA SIA Airlines Limited ("TATA-SIA"). There was no change in the Group's 49% equity stake in TATA-SIA after the capital injection.
2. Ritz-Carlton, Millenia Singapore Properties Private Limited recorded a revaluation gain of \$5.8 million from its annual revaluation exercise of its land and building. The Group's share of the revaluation gain of \$1.2 million as at 31 March 2022 is included under the share of post-acquisition capital reserve.
3. Boeing Asia Pacific Aviation Services Pte. Ltd. ("BAPAS") has been loss-making and planned to enter into a business restructuring after fulfilling remaining customer contracts. As a result, SIAEC wrote down the carrying value of investment to its expected realisable value of net assets comprising predominantly monetary assets and liabilities and recorded additional impairment losses of \$2.4 million during the year. In the prior year, the recoverable amount of BAPAS was premised on cash flows from remaining customer contracts and post-restructuring maintenance, repair and overhaul consultancy business and discounted at pre-tax rate of 7.0%.
4. SIAEC sold its entire shareholding in Asian Surface Technologies Pte. Ltd. to PAS Technologies B.V.. The cash consideration was approximately \$3.8 million and the gain on divestment was \$2.6 million.
5. Following the registration for dissolution of Line Maintenance Partnership (Thailand) Company Limited ("LMPT") in the prior year, LMPT completed its liquidation procedure.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

25 Associated Companies (in \$ million) (continued)

The associated companies are:

		Country of incorporation and place of business	Percentage of equity held by the Group 31 March	
	Principal activities		2022	2021
Held by the Company				
TATA SIA Airlines Limited ⁽⁴⁾	Domestic and international full service scheduled passenger airlines services	India	49.0	49.0
Airbus Asia Training Centre Pte. Ltd. ^{(5)(b)}	Flight training services	Singapore	45.0	45.0
Ritz-Carlton, Millenia Singapore Properties Private Limited ^{(5)(b)}	Hotel ownership and management	Singapore	20.0	20.0
Held by SIAEC				
Boeing Asia Pacific Aviation Services Pte. Ltd. ^{(3)(b)}	Provide engineering, material management and fleet support solutions	Singapore	38.0	38.0
Eagle Services Asia Private Limited ^{(2)(b)}	Repair and overhaul of aircraft engines	Singapore	38.0	38.0
Fuel Accessory Service Technologies Pte Ltd ^{(2)(a)}	Repair and overhaul of engine fuel components and accessories	Singapore	38.0	38.0
GE Aviation, Overhaul Services – Singapore Pte. Ltd ^{(12)(b)}	Repair and servicing of aircraft and spacecraft (including aircraft engines and other parts)	Singapore	38.0	38.0
Line Maintenance Partnership (Thailand) Company Limited ^{(12)(b)}	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Thailand	–	38.0
Moog Aircraft Services Asia Pte. Ltd. ⁽⁵⁾	Repair and overhaul services for flight control systems	Singapore	38.0	38.0
PT JAS Aero-Engineering Services ^{(8)(b)}	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Indonesia	38.0	38.0
Southern Airports Aircraft Maintenance Services Company Limited ^{(4)(b)}	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Vietnam	38.0	38.0
Component Aerospace Singapore Pte. Ltd. ^{(2)(a)}	Repair and overhaul of aircraft engine combustion chambers, guides, fuel nozzles and related parts	Singapore	36.0	36.0
JAMCO Aero Design & Engineering Private Limited ⁽¹¹⁾	Providing turnkey solutions for aircraft interior modifications	Singapore	34.9	34.9
Panasonic Avionic Services Singapore Pte. Ltd. ⁽¹⁾	Provide line maintenance and repair services of in-flight entertainment systems	Singapore	32.9	33.0
Goodrich Aerostructures Service Centre-Asia Pte. Ltd. ^{(2)(b)}	Repair and overhaul of aircraft nacelles, thrust reserves and pylons	Singapore	31.0	31.0
Pan Asia Pacific Aviation Services Limited ⁽⁷⁾	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Hong Kong	31.0	31.0

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For The Financial Year Ended 31 March 2022

25 Associated Companies (in \$ million) (continued)

		Country of incorporation and place of business	Percentage of equity held by the Group 31 March	
Principal activities			2022	2021
<u>Held by SIAEC (continued)</u>				
Safran Electronics & Defense Services Asia Pte. Ltd. ^{(9)(b)}	Provide avionics maintenance, repair and overhaul services	Singapore	31.0	31.0
Safran Landing Systems Services Singapore Pte. Ltd. ^{(9)(b)}	Repair and overhaul of Boeing and Airbus series landing gears	Singapore	31.0	31.0
Asian Surface Technologies Pte Ltd ^{(6)(b)}	Repair and overhaul of aircraft engine fan blades	Singapore	–	30.4
Turbine Coating Services Pte Ltd ^{(2)(a)*}	Repair and overhaul of aircraft engine turbine airfoils	Singapore	19.0	19.0
<u>Held by Scoot</u>				
Value Alliance Travel System Pte. Ltd. (Previously known as Air Black Box Asia Pacific Pte. Ltd.) ^{(10)(b)**}	Provision of support services to air transportation	Singapore	13.0	13.0

⁽¹⁾ Audited by KPMG LLP, Singapore

⁽²⁾ Audited by PricewaterhouseCoopers LLP, Singapore

⁽³⁾ Audited by Deloitte & Touche, Singapore

⁽⁴⁾ Audited by member firms of Deloitte & Touche

⁽⁵⁾ Audited by Ernst & Young LLP, Singapore

⁽⁶⁾ Audited by RSM Chio Lim, Singapore

⁽⁷⁾ Audited by BDO Limited, Hong Kong

⁽⁸⁾ Audited by Ernst & Young LLP, Indonesia

⁽⁹⁾ Audited by Mazars LLP, Singapore

⁽¹⁰⁾ Audited by Wong, Lee & Associates LLP

⁽¹¹⁾ Audited by Grant Thornton LLP, Singapore

⁽¹²⁾ Not required to be audited

^(a) Financial year end 30 November

^(b) Financial year end 31 December

* The Group has significant influence in these entities through its holdings in SIAEC

** The Group has significant influence by virtue of the board representation

The carrying amounts of the investment in associated companies are as follows:

	The Group 31 March	
	2022	2021
TATA-SIA	109.6	137.8
Eagle Services Asia Private Limited ("ESA")	253.5	224.5
Other associated companies	442.7	470.8
	805.8	833.1

The activities of the associated companies are strategic to the Group's activities.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

25 Associated Companies (in \$ million) (continued)

The Group has two (2021: two) associated companies that are material and a number of associated companies that are individually immaterial to the Group. The following summarises the financial information of each of the Group's material associated companies based on their respective (consolidated) financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisitions and differences in the Group's accounting policies.

Summarised statement of financial position

	TATA-SIA 31 March		ESA 31 March	
	2022	2021	2022	2021
Current assets	363.0	379.6	703.4	732.8
Non-current assets	2,401.9	2,062.0	135.0	148.4
Total assets	2,764.9	2,441.6	838.4	881.2
Current liabilities	(595.1)	(248.9)	(303.0)	(394.4)
Non-current liabilities	(1,946.2)	(1,911.5)	(18.0)	(28.6)
Total liabilities	(2,541.3)	(2,160.4)	(321.0)	(423.0)
Net assets	223.6	281.2	517.4	458.2
Share of net assets	109.6	137.8	253.5	224.5

Summarised statement of comprehensive income

	TATA-SIA		ESA	
	FY2021/22	FY2020/21	FY2021/22	FY2020/21
(Loss)/Profit after tax	(363.7)	(305.7)	56.6	18.0
Total comprehensive income	(363.7)	(305.7)	56.6	18.0

No dividends (FY2020/21: nil) were received from TATA-SIA and ESA during the financial year.

Aggregate information about the Group's share of the results of the associated companies that are not individually material is as follows:

Summarised statement of comprehensive income

	Immaterial associates	
	FY2021/22	FY2020/21
Profit after tax	4.6	14.2
Other comprehensive income	1.2	(2.9)
Total comprehensive income	5.8	11.3

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

26 Joint Venture Companies (in \$ million)

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Investment in joint venture companies	233.4	200.2	32.3	32.3

The joint venture companies are:

		Country of incorporation and place of business	Percentage of equity held by the Group 31 March	
	Principal activities		2022	2021
<u>Held by SIAEC</u>				
Singapore Aero Engine Services Pte Ltd ⁽¹⁾	Repair and overhaul of aircraft engines	Singapore	38.8	38.8
<u>Held by Scoot</u>				
NokScoot Airlines Co., Ltd. ⁽²⁾	Air transportation	Thailand	49.0	49.0
<u>Held by the Company</u>				
Singapore CAE Flight Training Pte. Ltd. ⁽³⁾	Flight training services	Singapore	50.0	50.0

⁽¹⁾ Audited by KPMG LLP, Singapore, and financial year end of 31 December.

⁽²⁾ Audited by Deloitte & Touche Tohmatsu Jaiyos Audit Co. Ltd, Thailand, and financial year end of 31 December. Entered into liquidation on 26 June 2020.

⁽³⁾ Audited by PricewaterhouseCoopers LLP, Singapore, and financial year end of 31 March.

The Group jointly controls all the joint venture companies with other partners under contractual agreements that require unanimous consent for all major decisions over the relevant activities; they are all equity accounted.

The carrying amounts of the investments are as follows:

	The Group 31 March	
	2022	2021
Singapore Aero Engine Services Pte Ltd ("SAESL")	202.8	170.2
Other joint venture companies	30.6	30.0
	233.4	200.2

The activities of SAESL are strategic to the Group's activities.

No dividends (FY2020/21: \$2.9 million) were received from SAESL during the financial year.

Summarised financial information in respect of SAESL, which is material to the Group, is as follows:

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

26 Joint Venture Companies (in \$ million) (continued)

Summarised statement of financial position

	SAESL 31 March	
	2022	2021
Cash and short-term deposits	94.6	24.5
Other current assets	1,160.2	721.9
Total current assets	1,254.8	746.4
Non-current assets	265.8	292.4
Total assets	1,520.6	1,038.8
Current liabilities	(1,025.2)	(585.4)
Non-current liabilities	(89.9)	(113.0)
Total liabilities	(1,115.1)	(698.4)
Net assets	405.5	340.4

Summarised statement of comprehensive income

	SAESL	
	FY2021/22	FY2020/21
Revenue	2,708.4	1,677.9
Depreciation and amortisation	(37.0)	(37.6)
Interest income	0.1	0.1
Interest expense	(5.3)	(7.1)
Profit before tax	57.8	33.6
Taxation	1.0	(5.3)
Profit after tax	58.8	28.3
Other comprehensive income	3.9	18.2
Total comprehensive income	62.7	46.5

The summarised financial information presented is extracted from the financial statements of SAESL prepared in accordance with IFRS.

Aggregate information about the Group's investment in the other joint venture companies that are not individually material is as follows:

The Group's share of the assets and liabilities comprises:

	The Group 31 March	
	2022	2021
Current assets	5.6	3.8
Non-current assets	40.1	32.2
Total assets	45.7	36.0
Current liabilities	(1.4)	(1.1)
Non-current liabilities	(13.7)	(4.9)
Total liabilities	(15.1)	(6.0)
Net assets	30.6	30.0

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

26 Joint Venture Companies (in \$ million) (continued)

Summarised statement of comprehensive income (continued)

The Group's share of the results is as follows:

	The Group	
	FY2021/22	FY2020/21
Profit/(Loss) after tax	0.4	(0.2)
Other comprehensive income	0.2	(2.0)
Total comprehensive income	0.6	(2.2)

27 Long-Term Investments (in \$ million)

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
<u>Quoted</u>				
Non-equity investments	0.4	2.5	0.4	2.5
<u>Unquoted</u>				
Equity investments	42.2	47.4	39.5	44.1
	42.6	49.9	39.9	46.6

The Group's non-equity investments comprised investments in corporate bonds.

The interest rate for quoted non-equity investments is 3.22% (FY2020/21: 3.08% to 3.22%) per annum.

28 Other Long-Term Assets (in \$ million)

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Deposits	112.4	108.6	–	–
Prepayments	3.9	8.7	–	–
Other receivables	83.6	354.1	79.8	321.3
Derivative assets (refer to note 41)	1,537.3	174.6	1,536.0	174.6
	1,737.2	646.0	1,615.8	495.9

The Group's other receivables are stated at amortised cost and are expected to be received over a period of two to four years (2021: two to eight years).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

29 Inventories (in \$ million)

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Technical stocks and stores	150.4	158.8	122.8	126.6
Catering and general stocks	37.0	36.1	19.2	18.7
Total inventories at lower of cost and net realisable value	187.4	194.9	142.0	145.3

The cost of inventories recognised as an expense amounted to \$101.1 million (FY2020/21: \$78.8 million).

30 Trade Debtors (in \$ million)

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Trade debtors	1,524.7	901.2	1,407.1	753.6
Contract assets	35.3	33.5	-	-
Amounts owing by:				
- associated companies	5.2	3.1	0.1	0.3
- joint venture companies	1.2	1.7	-	-
	1,566.4	939.5	1,407.2	753.9
Amounts owing by:				
- subsidiary companies	-	-	0.2	12.5
	1,566.4	939.5	1,407.4	766.4

Trade debtors are non-interest bearing. The carrying amount of trade debtors impaired by credit losses is reduced through the use of an allowance account unless the Group writes off the amount ascertained to be uncollectible. In subsequent periods when a trade debtor is ascertained to be uncollectible, it is written off against the allowance account.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days ageing of debtor balances) are considered indicators that the trade debtor is impaired. Individual trade debtors are written off when Management deems the amount not to be collectible.

Contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade debtors when the rights become unconditional. This usually occurs when the Group invoices the customers.

Amounts owing by subsidiary, associated and joint venture companies are unsecured, trade-related, non-interest bearing and repayable on demand. The amounts are stated at net of accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

30 Trade Debtors (in \$ million) (continued)

The table below is an analysis of trade debtors as at 31 March:

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Not past due and not impaired	1,404.1	780.9	1,266.6	639.0
Past due but not impaired	152.1	158.6	130.6	127.4
	1,556.2	939.5	1,397.2	766.4
Impaired trade debtors - collectively assessed	21.9	8.4	17.6	3.2
Less: Accumulated impairment losses	(11.7)	(8.4)	(7.4)	(3.2)
	10.2	-	10.2	-
Impaired trade debtors - individually assessed				
Customers in bankruptcy or other financial reorganisation	4.0	2.7	0.1	0.1
Customers who default in payment within stipulated framework of IATA Clearing House or Bank Settlement Plan	1.0	1.2	1.0	1.1
Less: Accumulated impairment losses	(5.0)	(3.9)	(1.1)	(1.2)
	-	-	-	-
Impaired amounts owing by associated companies - individually assessed	-	1.9	-	-
Impaired amounts owing by joint venture companies - individually assessed	75.7	79.1	75.8	75.3
Less: Accumulated impairment losses	(75.7)	(81.0)	(75.8)	(75.3)
	-	-	-	-
Total trade debtors, net	1,566.4	939.5	1,407.4	766.4

Included in trade and other debtors are amounts owing by related parties of \$8.2 million (2021: \$8.3 million) and \$8.2 million (2021: \$6.2 million) for the Group and Company respectively.

Trade debtors are stated after accumulated impairment losses. An analysis of the accumulated impairment losses is as follows:

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Balance at 1 April	93.3	78.1	79.7	64.8
Provided during the year for trade debtors	4.4	17.2	4.6	15.9
Written off during the year	(5.3)	(1.8)	-	(1.0)
Disposal of a subsidiary company	-	(0.2)	-	-
Balance at 31 March	92.4	93.3	84.3	79.7
Bad debts written off directly to profit and loss account, net of debts recovered	0.3	7.5	0.2	5.4

As at 31 March 2022, the composition of trade debtors held in foreign currencies by the Group is as follows: USD – 23.7% (2021: 30.2%), AUD – 7.5% (2021: 1.5%), EUR – 6.0% (2021: 4.2%), GBP – 5.2% (2021: 3.2%) and JPY – 1.0% (2021: 1.5%).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

31 Deposits and Other Debtors (in \$ million)

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Deposits	18.1	20.9	8.5	11.2
Other debtors	184.4	96.4	155.5	57.3
	202.5	117.3	164.0	68.5

During the year, the Group recognised an impairment on other debtors amounting to \$4.7 million (FY2020/21: nil) as non-operating expenses.

32 Investments (in \$ million)

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
<u>Quoted</u>				
Equity investments	2.1	3.7	–	–
Non-equity investments	404.3	268.1	352.5	216.5
	406.4	271.8	352.5	216.5

The Group's non-equity investments comprised investments in government securities, corporate bonds, investment funds and money market funds. These investments are held to manage the Group's liquidity needs.

The interest rates for quoted non-equity investments range from 0% to 4.125% (FY2020/21: 0% to 5.50%) per annum.

33 Cash and Bank Balances (in \$ million)

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Short-term deposits	11,259.3	5,701.9	11,240.8	5,681.3
Cash and bank balances	2,503.4	2,081.1	2,317.1	1,830.8
	13,762.7	7,783.0	13,557.9	7,512.1

As at 31 March 2022, the composition of cash and bank balances held in foreign currencies by the Group is as follows: USD – 29.6% (2021: 24.0%), EUR – 1.4% (2021: 2.1%), GBP – 0.8% (2021: 1.2%) and JPY – 0.6% (2021: 1.0%).

Cash at bank earns interest at floating rates based on daily bank deposit rates ranging from 0.23% to 1.53% (FY2020/21: 0.17% to 0.65%) per annum. Short-term deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The weighted average effective interest rate for short-term deposits is 0.56% (FY2020/21: 0.37%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

34 Trade and Other Creditors (in \$ million)

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Trade creditors	2,408.8	1,676.4	1,774.7	1,101.2
Promissory notes	221.2	338.4	221.2	338.4
Accrued interest	72.5	71.7	70.4	69.3
Contract liabilities	12.7	11.3	-	-
Amounts owing to associated companies	3.2	4.7	1.8	1.8
Amounts owing to joint venture companies	14.9	14.7	0.8	0.6
	2,733.3	2,117.2	2,068.9	1,511.3
Funds from subsidiary companies	-	-	1,104.0	807.7
Amounts owing to subsidiary companies	-	-	525.8	723.0
	-	-	1,629.8	1,530.7

Trade and other creditors (other than promissory notes) are generally non-interest bearing. As at 31 March 2022, 13.7% (2021: 7.7%) of trade and other creditors were held in USD by the Group. Included in trade and other creditors are amounts owing to related parties of \$247.6 million (2021: \$103.9 million) and \$227.4 million (2021: \$97.2 million) for the Group and Company respectively.

The promissory notes bear interest of 1.75% (FY2020/21: 1.75%) per annum and are denominated in USD.

Funds from subsidiary companies are unsecured and have varying repayment terms. Interest on funds from subsidiary companies are computed using prevailing market rates which range from 0.05% to 0.99% (FY2020/21: 0.05% to 0.95%) per annum for SGD funds, and 0.21% to 1.42% (FY2020/21: 0.10% to 0.75%) per annum for USD funds.

As at 31 March 2022, 9.8% (2021: 37.5%) of the funds from subsidiary companies were denominated in USD.

Amounts owing to related parties, subsidiary, associated and joint venture companies are unsecured, trade-related, non-interest bearing and repayable on demand.

35 Sales in Advance of Carriage and Deferred Revenue (in \$ million)

Sales in advance of carriage and deferred revenue are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in these liabilities during the year are as follows:

	The Group		The Company	
	FY2021/22	FY2020/21	FY2021/22	FY2020/21
Revenue recognised that was included in the balance at the beginning of the year				
- Sales in advance of carriage	568.1	478.7	504.4	404.8
- Deferred revenue	82.5	77.7	82.5	77.7
Movements due to cash received/(refunded), excluding amounts recognised as revenue during the year				
- Sales in advance of carriage	2,107.8	(994.6)	1,997.0	(979.1)
- Deferred revenue	50.4	279.7	50.4	279.7

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

35 Sales in Advance of Carriage and Deferred Revenue (in \$ million) (continued)

Deferred revenue relates to KrisFlyer miles expected to be redeemed. The Group expects the majority of these miles to be redeemed by the end of their validity dates, which have been extended due to the Covid-19 situation.

All tickets sold at any given point of time typically have travel dates extending up to 12 months. However, certain modifications have been made to extend the validity of some tickets due to the Covid-19 situation. As a result, the balance of the sales in advance of carriage liability represents activity that will typically be recognised in the next 12 months.

36 Analysis of Capital Expenditure Cash Flow (in \$ million)

	The Group	
	FY2021/22	FY2020/21
Purchase of property, plant and equipment	3,637.1	2,855.0
Property, plant and equipment settled by/(acquired under) credit terms	107.7	(100.7)
Property, plant and equipment settled through financing from a third-party financier	(652.2)	-
Interest capitalised	(43.9)	(58.8)
Cash invested in capital expenditure	3,048.7	2,695.5

37 Capital Expenditure Commitments (in \$ million)

The Group and the Company have commitments for capital expenditure. Such commitments aggregated \$14,363.3 million (2021: \$16,821.8 million) for the Group and \$12,304.1 million (2021: \$13,423.3 million) for the Company. The commitments relate principally to the acquisition of aircraft fleet and related equipment.

In addition, the Group's share of associated companies' and joint venture companies' commitments for capital expenditure totalled \$568.2 million (2021: \$644.7 million) and \$11.4 million (2021: \$15.3 million) respectively.

38 Leases (in \$ million)

(a) As lessee

Aircraft

The Company leases three 777-300ERs, four A380-800s, seven A350-900s, four 787-10s and nine 737-800s at fixed rental rates. The leases of one A350-900 and three 787-10s were entered into during the year through sale and leaseback arrangements, recording gross proceeds of \$760.8 million. The lease of one 737-800 was novated from SilkAir during the year. The original lease terms of these aircraft range from eight to thirteen years.

For flexibility in fleet planning, most leases include extension options. The extension options provide for lease renewals up to a maximum of three years. In addition, leases for the A350-900s and 787-10s include early termination options that allow termination of the leases up to two years prior to original lease expiry. Sub-leasing is allowed under all the lease arrangements.

As of 31 March 2022, Budget Aviation Holdings ("BAH") Group has leased 24 A320-200s, two A320neos and nine A321neo. The original lease terms on the aircraft are for 12 years. None of the lease agreements confer on BAH an option to purchase the related aircraft. Sub-leasing is allowed under all the lease arrangements, subject to certain terms and conditions stated in the agreements. Certain aircraft leases allow for lease extension/termination options for a period of three to four months from original lease expiry.

BAH Group had entered into lease agreements for 10 A321neo aircraft. Nine of the lease agreements have commenced as of 31 March 2022. The lease terms on the aircraft are for 12 years. The remaining lease agreement has been terminated during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

38 Leases (in \$ million) (continued)

(a) As lessee (continued)

Spare engines

The Company has lease agreements for six Trent 1000-J engines and six Trent TXWB-84 with fixed rental rates. The original lease terms for the T1000-J and Trent TXWB-84 engines are ten years with extension options of up to 36 months.

BAH Group leases one spare engine. The lease term on the engine is 12 years. Sub-leasing is allowed under all the lease arrangements.

Property and equipment

The Group has entered into lease agreements for office and computer equipment, leasehold land and buildings. These non-cancellable leases have lease terms of between one and 60 years.

Extension/termination options

To the extent the future lease payments can be reliably estimated, the Group has determined that in relation to aircraft, should the extension options be exercised, it would result in an increase in lease liabilities of \$268.6 million (2021: \$245.0 million), while the exercise of the termination options would result in a decrease in lease liabilities of \$19.6 million (2021: \$20.9 million).

(b) As lessor

Finance lease

BAH Group sub-leased two A320-200 aircraft to an external party. The sub-lease term for the aircraft is between eight and nine years.

Future minimum lease receivables under the finance leases are as follows:

	The Group 31 March	
	2022	2021
Within 1 year	9.1	9.0
1 - 2 years	3.8	9.0
2 - 3 years	-	3.7
Total undiscounted lease receivables	12.9	21.7
Unearned finance income	(0.4)	(0.8)
Net investment in the lease	12.5	20.9

39 Contingent Liabilities (in \$ million)

(a) Cargo: Investigations by Competition Authorities and Civil Class Actions

In 2006 and thereafter, SIA Cargo and the Company were among several airlines that received notice of investigations by competition authorities in the United States, European Union, Australia, Canada, New Zealand, South Africa, South Korea and Switzerland as to whether surcharges, rates or other competitive aspects of air cargo service were lawfully determined (the "air cargo issues").

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

39 Contingent Liabilities (in \$ million)

(a) Cargo: Investigations by Competition Authorities and Civil Class Actions (continued)

On 9 November 2010, the European Commission issued an adverse decision against 13 air cargo airlines, including SIA Cargo and the Company, in respect of fuel surcharges, security surcharges and commissions on surcharges. A fine of EUR74.8 million (\$135.7 million) was imposed on SIA Cargo and the Company. SIA Cargo paid the fine in February 2011 in accordance with European Union laws. This amount was reflected as an exceptional item in the Group's accounts in FY2010/11. SIA Cargo and the Company filed an appeal to the European General Court seeking annulment of the decision. In December 2015, the European General Court annulled the decision of the European Commission in its entirety vis-à-vis SIA Cargo and the Company. In February 2016, EUR76.4 million (\$119.1 million) comprising the fine amount and returns thereon was refunded to SIA Cargo. This refund was recognised as a non-operating item in the Group's FY2015/16 accounts. In March 2017, the European Commission re-adopted a decision in respect of the same case against the air cargo airlines, imposing a fine of EUR74.8 million (\$111.8 million) against SIA Cargo and the Company. This amount was recognised as a non-operating item in the Group's accounts in FY2016/17. SIA Cargo and the Company have filed an appeal to the European General Court seeking annulment of the re-adopted decision. The European General Court has issued its decision, dismissing the appeal by SIA Cargo and the Company. SIA Cargo and the Company are considering next steps.

In January 2014, the Swiss Competition Commission announced a fine against SIA Cargo and the Company of CHF1.7 million (\$2.3 million) in respect of the air cargo issues. This amount was reflected as an exceptional item in the Group's accounts in FY2013/14. SIA Cargo and the Company have filed an appeal to the Swiss Federal Administrative Tribunal seeking annulment of the decision.

The proceedings by competition authorities in the United States, South Korea, South Africa, Australia and New Zealand were resolved in previous financial periods.

After the investigations commenced, civil damage lawsuits were filed in the United States, Canada, Australia, South Korea, England, the Netherlands, Norway and Germany by private parties against several airlines, including SIA Cargo and the Company. Other lawsuits have been threatened by customers of SIA Cargo or shippers that purportedly contracted with SIA Cargo's customers.

The plaintiffs in the South Korea proceedings withdrew their complaint in July 2011 and the proceedings were accordingly dismissed without prejudice. In January 2014, a shipper from South Korea which purportedly contracted with SIA Cargo's customers served a claim against SIA Cargo and other airlines. In December 2019, without admitting any liability, SIA Cargo entered into a settlement with the shipper, thereby resolving the claim against SIA Cargo.

In September 2016, one of SIA Cargo's customers filed a claim against SIA Cargo and the Company in the United States after opting out of SIA Cargo's and the Company's class action settlement.

In June 2017, without admitting any liability, SIA Cargo and the Company entered into a settlement of the above civil damages claim in the United States. At the same time, SIA Cargo and the Company settled the civil damages lawsuit filed in Germany, which was related to the opt-out claim in the United States.

In December 2018, without admitting any liability, SIA Cargo and the Company entered into a settlement with four out of the five claimant groups in the civil damages claim filed in England. In January 2019, the main defendant in the fifth claimant group proceedings discontinued its contribution claim against SIA Cargo and the Company. The entire civil damages claim filed in England has thus been resolved for SIA Cargo and the Company.

Without admitting any liability, SIA Cargo and the Company have settled with class and collective action plaintiffs in the United States, Australia, Canada and England, as the case may be, to resolve all liabilities of SIA Cargo and the Company as concerns such lawsuits filed in the relevant jurisdictions.

In addition, without admitting any liability, in 2012, 2013 and 2015, SIA Cargo reached settlements with certain customers to resolve all pending and potential future civil damage claims regarding the air cargo issues for those customers. The settlements in 2012, 2013, 2015 and 2017 have been reflected in the Group's financial statements in the previous financial years. The individual terms of all such settlements are required to be kept confidential.

Apart from the class actions in Canada, the United States and Australia, the opt-out claim in the United States, the lawsuit in Germany and the civil damages claims in England and South Korea, the filed cases remain in their respective procedural stages and none have been tried thus far on their respective substantive legal merits.

Apart from the items recorded as non-operating items noted above, it is premature to make a provision in the financial statements for the other pending investigations, court proceedings, civil suits, or threatened claims as their respective outcomes are uncertain.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

39 Contingent Liabilities (in \$ million) (continued)

(b) Passengers: Civil Class Actions

The Company and several other airlines have been named in a civil class action lawsuit in Canada alleging an unlawful agreement to fix surcharges and fares on transpacific flights. The case is currently in the procedural stage and has not been tried thus far on its substantive legal merits. As the lawsuit has neither been tried nor alleged damages quantified, it is premature to make a provision in the financial statements.

The passenger civil class action lawsuit filed in the United States against the Company was resolved in a previous financial period.

40 Financial Instruments (in \$ million)

Classification and fair values of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in note 2 describe how the classes of financial instruments are measured, and how revenue and expenses, including fair value gains and losses, are recognised. The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as per the following tables.

Financial assets and financial liabilities that are classified as measured at amortised cost with carrying amounts being a reasonable approximation of their fair values are not presented in these tables. These financial assets include trade debtors, deposits and other debtors, amounts owing by subsidiary companies and cash and bank balances. These financial liabilities include trade and other creditors, amounts owing to subsidiary companies and loans.

31 March 2022 The Group	Carrying amount			Fair value			
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>							
Long-term investments							
Quoted							
Non-equity investments	0.4	-	-	0.4	0.4	-	-
Unquoted							
Equity investments	-	40.9	1.3	42.2	-	-	42.2
Other long-term receivables	196.4	-	-	196.4	-	-	192.9
Derivative assets*	-	2,939.3	-	2,939.3	-	2,939.3	-
Investments							
Quoted							
Equity investments	-	2.1	-	2.1	2.1	-	-
Non-equity investments*	-	51.8	-	51.8	51.8	-	-
Non-equity investments	352.5	-	-	352.5	352.5	-	-
	549.3	3,034.1	1.3	3,584.7	406.8	2,939.3	235.1
<u>Financial liabilities</u>							
Derivative liabilities*	-	1,650.6	-	1,650.6	-	1,650.6	-
Notes payable	5,655.7	-	-	5,655.7	5,607.7	-	-
Convertible bonds	783.1	-	-	783.1	939.3	-	-
	6,438.8	1,650.6	-	8,089.4	6,547.0	1,650.6	-

* Mandatorily measured at FVTPL

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

40 Financial Instruments (in \$ million) (continued)

Classification and fair values of financial instruments (continued)

	Carrying amount				Fair value		
31 March 2022 The Company	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>							
Long-term investments							
Quoted							
Non-equity investments	0.4	-	-	0.4	0.4	-	-
Unquoted							
Equity investments	-	38.2	1.3	39.5	-	-	39.5
Other long-term receivables	79.9	-	-	79.9	-	-	79.9
Derivative assets*	-	2,938.0	-	2,938.0	-	2,938.0	-
Investments							
Quoted							
Non-equity investments	352.5	-	-	352.5	352.5	-	-
	432.8	2,976.2	1.3	3,410.3	352.9	2,938.0	119.4
<u>Financial liabilities</u>							
Derivative liabilities*	-	1,647.0	-	1,647.0	-	1,647.0	-
Notes payable	5,655.7	-	-	5,655.7	5,607.7	-	-
Convertible bonds	783.1	-	-	783.1	939.3	-	-
	6,438.8	1,647.0	-	8,085.8	6,547.0	1,647.0	-

	Carrying amount				Fair value		
31 March 2021 The Group	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>							
Long-term investments							
Quoted							
Non-equity investments	2.5	-	-	2.5	2.6	-	-
Unquoted							
Equity investments	-	41.0	6.4	47.4	-	-	47.4
Other long-term receivables	462.7	-	-	462.7	-	-	460.0
Derivative assets*	-	331.4	-	331.4	-	331.4	-
Investments							
Quoted							
Equity investments	-	3.7	-	3.7	3.7	-	-
Non-equity investments*	-	51.6	-	51.6	51.6	-	-
Non-equity investments	216.5	-	-	216.5	216.6	-	-
	681.7	427.7	6.4	1,115.8	274.5	331.4	507.4
<u>Financial liabilities</u>							
Derivative liabilities*	-	415.2	-	415.2	-	415.2	-
Notes payable	5,045.7	-	-	5,045.7	5,165.1	-	-
Convertible bonds	767.7	-	-	767.7	1,028.2	-	-
	5,813.4	415.2	-	6,228.6	6,193.3	415.2	-

* Mandatorily measured at FVTPL

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

40 Financial Instruments (in \$ million) (continued)

Classification and fair values of financial instruments (continued)

31 March 2021 The Company	Carrying amount			Fair value			
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>							
Long-term investments							
Quoted							
Non-equity investments	2.5	-	-	2.5	2.6	-	-
Unquoted							
Equity investments	-	37.7	6.4	44.1	-	-	44.1
Other long-term receivables	321.3	-	-	321.3	-	-	321.3
Derivative assets*	-	331.4	-	331.4	-	331.4	-
Investments							
Quoted							
Non-equity investments	216.5	-	-	216.5	216.6	-	-
	540.3	369.1	6.4	915.8	219.2	331.4	365.4
<u>Financial liabilities</u>							
Derivative liabilities*	-	398.7	-	398.7	-	398.7	-
Notes payable	5,045.7	-	-	5,045.7	5,165.1	-	-
Convertible bonds	767.7	-	-	767.7	1,028.2	-	-
	5,813.4	398.7	-	6,212.1	6,193.3	398.7	-

* Mandatorily measured at FVTPL

Financial instruments carried at fair value

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 – Unobservable inputs for the asset or liability

There has been no transfer between Level 1 and Level 2 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

40 Financial Instruments (in \$ million) (continued)

Financial instruments carried at fair value (continued)

Determination of fair value

The fair values of the financial instruments are determined as follows:

- Jet fuel swap contracts – mark-to-market valuations, adjusted for bilateral counterparty credit risks.
- InterContinental Exchange (“ICE”) Brent swap and Brent-MOPS crack swap contracts – by reference to available market information and the marked-to-market values of these swap contracts, adjusted for bilateral counterparty credit risks. As the Group hedges with ICE Brent and Brent-MOPS crack contracts, the ICE Brent futures contract price and its differential relative to MOPS price are used as the mark-to-market prices.
- Forward currency contracts – by reference to current forward prices for contracts with similar maturity profiles, adjusted for bilateral counterparty credit risks.
- Interest rate swap contracts – by discounting the future cash flows of swap contracts at market interest rate, adjusted for bilateral counterparty credit risks.
- Cross currency swap contracts – by reference to market prices for existing cash flow profiles pre-agreed with counterparties at trade inception, adjusted for bilateral counterparty credit risks.
- Quoted investments – by reference to stock exchange quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no active market, fair value is determined using valuation techniques that are commonly used by market participants.
- Other long-term receivables – by discounting expected future cash flows at market incremental lending rate for similar types of lending at the end of the reporting period.
- Notes payable – by reference to stock exchange quoted market bid prices at the close of business at the end of the reporting period.
- Convertible bonds – by reference to stock exchange quoted market bid prices at the close of business at the end of the reporting period.

Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (“ISDA”) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Group also enters into netting arrangements with International Air Transport Association (“IATA”) which is enforceable in the normal course of operations and also following an event of default, insolvency or bankruptcy of the Group or the counterparties. The Group settles these balances on a net basis during the normal course of operations.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

40 Financial Instruments (in \$ million) (continued)

Master netting or similar agreements (continued)

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

	Effects of offsetting in the statements of financial position		Related amounts not offset		
	Gross amounts	Gross amounts set-off in the statements of financial position	Net amounts presented in the statements of financial position	Amounts subject to master netting arrangements	Net amount
The Group					
<u>31 March 2022</u>					
Derivative assets	2,939.3	–	2,939.3	(1,606.8)	1,332.5
Trade debtors	1,568.9	(2.5)	1,566.4	–	1,566.4
	4,508.2	(2.5)	4,505.7	(1,606.8)	2,898.9
Derivative liabilities	1,650.6	–	1,650.6	(1,606.8)	43.8
Trade and other creditors	2,735.8	(2.5)	2,733.3	–	2,733.3
	4,386.4	(2.5)	4,383.9	(1,606.8)	2,777.1
<u>31 March 2021</u>					
Derivative assets	331.4	–	331.4	(246.8)	84.6
Trade debtors	939.9	(0.4)	939.5	–	939.5
	1,271.3	(0.4)	1,270.9	(246.8)	1,024.1
Derivative liabilities	415.2	–	415.2	(246.8)	168.4
Trade and other creditors	2,117.6	(0.4)	2,117.2	–	2,117.2
	2,532.8	(0.4)	2,532.4	(246.8)	2,285.6
The Company					
<u>31 March 2022</u>					
Derivative assets	2,938.0	–	2,938.0	(1,606.8)	1,331.2
Trade debtors	1,409.7	(2.5)	1,407.2	–	1,407.2
Amounts owing by subsidiary companies	589.7	(589.5)	0.2	–	0.2
	4,937.4	(592.0)	4,345.4	(1,606.8)	2,738.6
Derivative liabilities	1,647.0	–	1,647.0	(1,606.8)	40.2
Trade and other creditors	2,071.4	(2.5)	2,068.9	–	2,068.9
Amounts owing to subsidiary companies	2,219.3	(589.5)	1,629.8	–	1,629.8
	5,937.7	(592.0)	5,345.7	(1,606.8)	3,738.9
<u>31 March 2021</u>					
Derivative assets	331.4	–	331.4	(246.8)	84.6
Trade debtors	754.3	(0.4)	753.9	–	753.9
Amounts owing by subsidiary companies	739.0	(726.5)	12.5	–	12.5
	1,824.7	(726.9)	1,097.8	(246.8)	851.0
Derivative liabilities	398.7	–	398.7	(246.8)	151.9
Trade and other creditors	1,511.7	(0.4)	1,511.3	–	1,511.3
Amounts owing to subsidiary companies	2,257.2	(726.5)	1,530.7	–	1,530.7
	4,167.6	(726.9)	3,440.7	(246.8)	3,193.9

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

41 Financial Risk Management Objectives and Policies (in \$ million)

The Group operates globally and generates revenue in various currencies. The Group's airline operations carry certain financial and commodity risks, including the effects of changes in jet fuel prices, foreign currency exchange rates, interest rates and the market value of its investments. The Group's overall risk management approach is to moderate the effects of such volatility on its financial performance through the use of derivatives to hedge specific exposures.

As derivatives are used for the purpose of risk management, they do not expose the Group to market risk because gains and losses on the derivatives offset losses and gains on the matching asset, liability, revenues or expenses being hedged. Moreover, counterparty credit risk is generally restricted to any hedging gain from time to time, and not the principal amount hedged. Therefore, the possibility of a material loss arising in the event of non-performance by a counterparty is considered to be unlikely.

Financial risk management policies are periodically reviewed and approved by the Board Executive Committee ("BEC").

Derivative financial instruments included in the statements of financial position are as follows:

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
<u>Derivative assets</u>				
Current				
Currency hedging contracts	0.2	0.6	0.2	0.6
Fuel hedging contracts	675.4	151.6	675.4	151.6
Fuel derivative contracts	710.6	–	710.6	–
Cross currency swap contracts	10.3	4.6	10.3	4.6
Interest rate swap contracts	5.5	–	5.5	–
	1,402.0	156.8	1,402.0	156.8
Non-current				
Fuel hedging contracts	153.4	59.5	153.4	59.5
Fuel derivative contracts	1,204.4	–	1,204.4	–
Cross currency swap contracts	19.7	9.0	19.7	9.0
Interest rate swap contracts	159.8	106.1	158.5	106.1
	1,537.3	174.6	1,536.0	174.6
	2,939.3	331.4	2,938.0	331.4
<u>Derivative liabilities</u>				
Current				
Currency hedging contracts	–	3.7	–	3.7
Fuel hedging contracts	–	61.0	–	61.0
Fuel derivative contracts	558.5	–	558.5	–
Cross currency swap contracts	–	0.4	–	0.4
Interest rate swap contracts	16.2	65.3	12.6	58.9
	574.7	130.4	571.1	124.0
Non-current				
Fuel hedging contracts	–	242.1	–	242.1
Fuel derivative contracts	1,073.3	–	1,073.3	–
Cross currency swap contracts	2.4	–	2.4	–
Interest rate swap contracts	0.2	42.7	0.2	32.6
	1,075.9	284.8	1,075.9	274.7
	1,650.6	415.2	1,647.0	398.7

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(a) Jet fuel price risk

The Group's earnings are affected by changes in the price of jet fuel. The Group's strategy for managing the risk on fuel price, as defined by the BEC, aims to provide the Group with protection against sudden and significant increases in jet fuel prices. In meeting these objectives, the fuel risk management programme allows for the judicious use of approved instruments such as swaps, options and collars with approved counterparties and within approved credit limits to hedge approved range of anticipated jet fuel purchases over a specified time frame.

Cash flow hedges

The Group manages this fuel price risk by using swap, option and collar contracts and hedging forward using jet fuel swap, option and collar contracts, ICE Brent swap contracts and Brent-MOPS crack swap contracts.

The Group has applied cash flow hedge accounting to the derivatives which are considered to be highly effective hedging instruments. A net fair value gain before tax of \$1,089.2 million (2021: loss before tax of \$183.6 million), with a related deferred tax expense of \$185.2 million (2021: deferred tax credit of \$31.2 million), was included in the fair value reserve in respect of these contracts.

Following the outbreak of the Covid-19 pandemic, there was a significant reduction in the Group's capacity and hence fuel consumption, compared to prior planned flight schedules. Where the occurrences of these forecasted jet fuel purchases are no longer highly probable, hedge accounting has been discontinued.

For discontinued hedges, where the forecast jet fuel purchases are no longer expected to occur, no amount (FY2020/21: loss of \$497.3 million) that was previously recognised in the fair value reserve was reclassified to the profit or loss. Fair value gains of all discontinued hedges subsequent to the discontinuation of hedge accounting, until the earlier of the maturity of the underlying derivatives or end of the reporting period, amounting to \$78.2 million (FY2020/21: \$283.3 million) were recognised in profit or loss. The cumulative impact of the gains recognised in profit or loss as described above of \$78.2 million (FY2020/21: loss of \$214.0 million) has been disclosed in the profit and loss account as "Fuel hedging ineffectiveness".

For discontinued hedges, a gain of \$273.3 million (2021: loss of \$47.4 million) previously recognised remained in the fair value reserve as at 31 March 2022.

The table below sets out the movements for fuel hedges:

	The Group		The Company	
	FY2021/22	FY2020/21	FY2021/22	FY2020/21
Change in fair value of hedging instrument	1,423.0	2,843.0	1,423.0	2,843.0
Change in fair value of hedged item	(1,436.0)	(2,820.5)	(1,436.0)	(2,820.5)

In view of the reduced consumption and the uncertainty that remains in the recovery profile, the Group took steps in FY2021/22 to recalibrate its fuel hedge book closer to a neutral posture, through using sell swaps to close out some of the prior hedge positions.

As at 31 March 2022, the Group had entered into Brent hedges with maturities extending up to the first quarter of FY2023/24 which cover up to approximately 40% of the Group's projected annual fuel consumption, at an average price of USD60 per barrel. Hedge positions beyond the first quarter of FY2023/24 have been closed out.

Jet fuel price sensitivity analysis

The jet fuel price risk sensitivity analysis is based on the assumption that all other factors, such as fuel surcharge and uplifted fuel volume, remain constant. Under this assumption, and excluding the effects of hedging, an increase in price of one USD per barrel of jet fuel affects the Group's and the Company's annual fuel costs by \$26.8 million and \$24.9 million (FY2020/21: \$13.5 million and \$12.9 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(a) Jet fuel price risk (continued)

The fuel hedging sensitivity analysis is based on contracts that are outstanding as at the end of the reporting period and assumes that hedge accounting has been discontinued for a portion of jet fuel, Brent and crack hedges. Under these assumptions, an increase or decrease in jet fuel prices, each by one USD per barrel, will have the before tax effects as set out in the table below.

Sensitivity analysis on outstanding fuel derivative contracts:

	The Group 31 March			
	2022		2021	
	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}
Increase in one USD per barrel	23.3	–	119.0	2.9
Decrease in one USD per barrel	(23.3)	–	(119.0)	(2.9)

	The Company 31 March			
	2022		2021	
	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}
Increase in one USD per barrel	19.9	–	96.3	2.5
Decrease in one USD per barrel	(19.9)	–	(96.3)	(2.5)

^{R1} Sensitivity analysis on outstanding fuel hedging contracts.

^{R2} Sensitivity analysis on outstanding fuel derivative contracts which have been de-designated from a hedge relationship and fuel derivative contracts.

(b) Foreign currency risk

The Group is exposed to the effects of foreign exchange rate fluctuations because of its foreign currency denominated operating revenues and expenses. For the financial year ended 31 March 2022, these accounted for 69.7% of total revenue (FY2020/21: 71.1%) and 48.8% of total operating expenses (FY2020/21: 37.3%). The Group's largest exposures are from United States Dollar, Euro, UK Sterling Pound, Australian Dollar, New Zealand Dollar, Japanese Yen, Indian Rupee, Hong Kong Dollar, Chinese Yuan and Indonesian Rupiah. The Group generates a surplus in all of these currencies, with the exception of USD. The deficit in USD is attributable to capital expenditure, fuel costs and aircraft leasing costs – all conventionally denominated and payable in USD.

The Group manages its foreign exchange exposure by a policy of matching, as far as possible, receipts and payments in each individual currency. Surpluses of convertible currencies are sold, as soon as practicable, for USD or SGD. The Group also uses foreign currency forward and option contracts to hedge a portion of its future foreign exchange exposure. Such contracts provide for the Group to sell currencies at predetermined forward rates, buying either USD or SGD depending on forecast requirements, with settlement dates up to 24 months. The Company uses cross currency swap contracts to hedge USD bond liability and its coupon payments into SGD. The Group uses these currency hedging contracts purely as a hedging tool. It does not take positions in currencies with a view to making speculative gains from currency movements. The Group also uses short-term deposits in foreign currencies to hedge a portion of the forecast USD capital expenditure in the next 12 months.

Cash flow hedges

a) Net operating and other exposures

The Group held cash flow hedges to manage net operating exposures to foreign currencies. As at 31 March 2022, the carrying amounts of these hedges consisted of \$0.2 million (2021: \$0.6 million) derivative assets and \$0.2 million (2021: \$1.2 million) derivative liabilities for the Group and the Company. During the financial year, the amount reclassified from the cash flow hedge reserve to profit or loss (classified under 'Other operating expenses') is nil (2021: loss of \$6.2 million) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(b) Foreign currency risk (continued)

Cash flow hedges (continued)

a) Net operating and other exposures (continued)

The Group also held cross currency swap contracts to hedge foreign currency risk of expected future JPY and EUR surpluses until November 2029. As at 31 March 2022, a net fair value gain of \$23.8 million (2021: net fair value gain of \$13.2 million), with no deferred tax (2021: deferred tax credit of \$0.1 million), was included in the fair value reserve with respect to these contracts.

As at 31 March 2022, the Group held EUR and JPY secured loans amounting to \$1,031.8 million (2021: \$1,227.4 million) where the fixed repayments are hedged against the Group's EUR and JPY surpluses. A fair value gain of \$22.8 million (2021: loss of \$36.5 million) was included in the fair value reserve in respect of the above cash flow hedges as at 31 March 2022.

Foreign currency hedging effectiveness

The effectiveness of the foreign currency hedges has been determined based on forecast foreign currency receipts using projections approved by Management covering a five-year period. Due to the significant capacity cuts brought about by the Covid-19 pandemic and the expected impact on the near-term forecasted foreign currency receipts, a portion of these forecasted receipts, for which hedge accounting had been applied previously, are no longer expected to occur. As a result, hedge accounting was discontinued for these hedging relationships in FY2020/21, with foreign currency gain amounting to \$5.3 million and \$3.3 million for the Group and the Company respectively, recognised in profit or loss.

b) Capital expenditure exposures

The Group and the Company designate cash flow hedges to manage the exposure to USD-denominated capital expenditure commitments and capital injections in an associated company. In the prior year, the total nominal amount of these cash flow hedges over the next two years was USD200.1 million with a hedged rate range of SGD/USD 1.34 – 1.40 for the Group and the Company.

As at 31 March 2022, the Group and the Company held USD312.2 million and USD304.2 million respectively, in short-term deposits to hedge against foreign currency risk for a portion of the forecast USD capital expenditure and USD capital injections in an associated company in the next 12 months.

As at 31 March 2022, a fair value loss of \$2.7 million (2021: fair value loss of \$2.5 million) was included in the fair value reserve in respect of the above cash flow hedges.

The table below sets out the derivative positions and movements for these cash flow hedges:

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Derivative Liabilities	–	(2.5)	–	(2.5)
Hedged deposits	422.5	–	411.6	–

	The Group		The Company	
	FY2021/22	FY2020/21	FY2021/22	FY2020/21
Change in fair value of hedging instrument	(5.3)	(42.1)	(6.2)	(42.1)
Change in fair value of hedged item	5.3	42.1	6.2	42.1

For the financial year ended 31 March 2022 and 31 March 2021, there was no realised foreign currency hedging gain/(loss) reclassified to profit or loss as it had been capitalised in the carrying value of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(b) Foreign currency risk (continued)

Fair value hedges

The Group entered into fair value hedges to manage the exposure to USD-denominated aircraft residual value. The residual values of aircraft are subject to foreign currency fluctuations and are remeasured to the prevailing exchange rates at the end of the reporting period. These underlying currency movements on aircraft are designated in a fair value hedge are included within "Property, plant and equipment" in the statements of financial position. The hedging instrument is included within "Lease liabilities". The effective portion of changes in the fair value of both the hedged item and hedging instrument are offset within "Other operating expenses" and no ineffectiveness arose on fair value hedges during the year.

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
USD aircraft residual values	1,782.1	1,886.4	1,481.5	1,556.0
USD lease liabilities	(1,782.1)	(1,886.4)	(1,481.5)	(1,556.0)

	The Group		The Company	
	FY2021/22	FY2020/21	FY2021/22	FY2020/21
Change in fair value of hedging instrument	(14.1)	29.0	(12.3)	8.6
Change in fair value of hedged item	14.1	(29.0)	12.3	(8.6)

Foreign currency sensitivity analysis

The foreign currency risk sensitivity analysis is based on contracts that are outstanding as at the end of the reporting period and assumes that a portion of the cash flow hedges are ineffective.

The following table details the sensitivity of a 1% strengthening of SGD against the respective foreign currencies. The sensitivity analysis includes only outstanding foreign currency hedging contracts and significant outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

Sensitivity analysis:

	The Group 31 March			
	2022		2021	
	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}
AUD	-	(1.3)	-	(0.4)
EUR	8.3	5.8	10.8	7.6
GBP	-	(1.6)	-	(1.1)
JPY	2.0	(0.6)	5.9	(0.4)
CNY	-	0.3	-	0.2
USD	(25.3)	(2.6)	(1.6)	(9.8)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(b) Foreign currency risk (continued)

Sensitivity analysis: (continued)

	The Company 31 March			
	2022		2021	
	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}
AUD	-	(1.6)	-	(0.5)
EUR	8.3	5.8	10.8	7.7
GBP	-	(1.6)	-	(1.1)
JPY	2.0	(0.6)	5.9	(0.4)
CNY	-	0.3	-	0.2
USD	(25.7)	(11.8)	(2.0)	(14.6)

^{R1} Sensitivity analysis on outstanding foreign currency hedging contracts and fuel hedging contracts denominated in foreign currency.

^{R2} Sensitivity analysis on significant outstanding foreign currency denominated monetary items and outstanding foreign currency and fuel derivative contracts denominated in foreign currency.

If the relevant foreign currency strengthens by 1% against SGD, equity and profit before taxation would change by the same amounts in the opposite direction.

(c) Interest rate risk

The Group's earnings are also affected by changes in interest rates due to the impact such changes have on interest income and expense from short-term deposits and other interest-bearing financial assets and liabilities. The Group enters into interest rate swap contracts to manage interest rate costs on its financial assets and liabilities, with the prior approval of the BEC or Boards of subsidiary companies.

Cash flow hedges

During the financial year, the Group entered into interest rate swap contracts to hedge the interest rate exposure on underlying loans. As at 31 March 2022, the total nominal amount of these cash flow hedges was \$4,426.8 million (2021: \$4,976.3 million) with a hedged rate range of 0.34% to 2.92% (2021: 0.34% to 2.92%) for the Group and \$4,126.8 million (2021: \$4,628.3 million) with a hedged rate range of 0.34% to 2.86% (2021: 0.34% to 2.86%) for the Company.

The terms of the interest rate swap contracts have been negotiated to match the terms of the loans and, accordingly, the fair value hedges are assessed to be highly effective. As at 31 March 2022, a net fair value gain of \$149.0 million (2021: net fair value loss of \$1.9 million) with related deferred tax expense of \$25.4 million (2021: deferred tax credit of \$0.4 million) was included in the fair value reserve in respect of these contracts.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(c) Interest rate risk (continued)

Interest rate sensitivity analysis

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or finance charges of variable interest financial instruments.
- Changes in market interest rates affect the fair value of derivative financial instruments designated as hedging instruments and all interest rate hedges are expected to be highly effective.
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the end of the reporting period.

Under these assumptions, an increase or decrease in market interest rates of 10 basis points for all currencies in which the Group has derivative financial instruments and variable rate assets and liabilities at 31 March 2022 will have the effects as set out in the table below.

Sensitivity analysis:

	The Group 31 March			
	2022		2021	
	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}
Increase in 10 basis points in market interest rates	16.4	14.1	22.7	8.0
Decrease in 10 basis points in market interest rates	(16.4)	(14.1)	(22.7)	(8.0)

	The Company 31 March			
	2022		2021	
	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}
Increase in 10 basis points in market interest rates	15.5	12.8	21.5	6.9
Decrease in 10 basis points in market interest rates	(15.5)	(12.8)	(21.5)	(6.9)

^{R1} Sensitivity analysis on derivative financial instruments.

^{R2} Sensitivity analysis on variable rate assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(c) Interest rate risk (continued)

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some IBORs with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

The Group's main IBOR exposure at 31 March 2022 was indexed to Singapore Swap Offer Rate ("SOR"). In Singapore, the Steering Committee for SOR and SIBOR transition to SORA ("SC-STs") together with the Association of Banks in Singapore ("ABS") and Singapore Foreign Exchange Market Committee ("SFEMC"), has recommended the discontinuation of SOR and Singapore Interbank Offered Rate ("SIBOR") and a shift towards the use of Singapore Overnight Rate Average ("SORA") as the alternative interest rate benchmark in Singapore. The timeline for SORA to replace SOR and SIBOR is by the end of June 2023 and December 2024 respectively.

Management monitors and manages the Group's transition to alternative rates. The management evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

Non-derivative financial assets

The Group has no major IBOR exposures to non-derivative financial assets as at 31 March 2022. The Company's IBOR exposures to non-derivative financial assets as at 31 March 2022 were shareholder's loans to its subsidiary which are indexed to SOR.

Non-derivative financial liabilities

The Group's IBOR exposures to non-derivative financial liabilities as at 31 March 2022 included secured bank loans indexed to SOR. The Group is still in the process of communication with the counterparties to transition all SOR indexed exposures to SORA indexed contracts.

Derivatives

The Group holds interest rate swaps for risk management purposes that are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SOR. The Group's derivative instruments are governed by contracts based on the ISDA's master agreements. The Group is still in the process of communication with the counterparties to transition all SOR indexed exposures to SORA indexed contracts.

Hedge accounting

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by interest rate benchmark reform as at 31 March 2022. The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rates which are SOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with its counterparties as usual.

The Group's SOR cash flow hedging relationships extend beyond the anticipated cessation dates of the respective rates. The Group is still in the process of communication with the counterparties for all SOR indexed exposures to transition the relevant hedging instruments and hedged items into SORA indexed. The Group has evaluated that there is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments and such uncertainty may impact the hedging relationship. The Group continues to apply the amendments to IFRS 9 issued in March 2021 (Phase 1) to those hedging relationships directly affected by interest rate benchmark reform.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(c) Interest rate risk (continued)

Managing interest rate benchmark reform and associated risks (continued)

Hedge accounting (continued)

Hedging relationships impacted by interest rate benchmark reform may experience ineffectiveness attributable to market participants' expectations of when and how the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur for the relevant hedged items and hedging instruments. This transition may also occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to Singapore-dollar SOR using available quoted market rates for SOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in SOR on a similar basis.

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

The following table shows the total amounts of unreformed contracts and those with appropriate fallback language at 31 March 2022. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

	SOR	
	Total amount of unreformed contracts	Amount with appropriate fallback clause
The Group		
31 March 2022		
Financial liabilities		
Secured bank loans	1,603.1	794.6
Derivatives		
Interest rate swaps	1,608.3	797.0
The Company		
31 March 2022		
Financial liabilities		
Secured bank loans	1,305.1	795.6
Derivatives		
Interest rate swaps	1,308.3	797.0

The Group's exposure to Singapore-dollar SOR designated in hedging relationships is \$3,211.4 million nominal amount at 31 March 2022, representing both the nominal amount of the hedging interest rate swap and the principal amount of the Group's hedged SGD-denominated secured bank loan liabilities repayable up to 2032.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(d) Market rate risk

At 31 March 2022, the Group and the Company own investments of \$449.0 million (2021: \$321.7 million) and \$392.4 million (2021: \$263.1 million) respectively, out of which \$96.1 million (2021: \$102.7 million) and \$39.5 million (2021: \$44.0 million) are subject to market risk, being the potential loss resulting from a decrease in market prices.

Market price sensitivity analysis

If prices for these investments increase or decrease by 1% with all other variables being held constant, the before tax effects on equity and effects on profit before taxation are set out in the table below.

Sensitivity analysis on investments:

	The Group 31 March			
	2022		2021	
	Effect on equity	Effect on profit before taxation	Effect on equity	Effect on profit before taxation
Increase in 1% of quoted prices	-	0.9	0.1	1.0
Decrease in 1% of quoted prices	-	(0.9)	(0.1)	(1.0)

	The Company 31 March			
	2022		2021	
	Effect on equity	Effect on profit before taxation	Effect on equity	Effect on profit before taxation
Increase in 1% of quoted prices	-	0.4	0.1	0.4
Decrease in 1% of quoted prices	-	(0.4)	(0.1)	(0.4)

(e) Liquidity risk

At 31 March 2022, the Group had at its disposal, cash and short-term deposits amounting to \$13,762.7 million (2021: \$7,783.0 million). In addition, the Group had committed unsecured credit facilities of about \$2,111.8 million (2021: \$2,128.0 million) available for utilisation as at 31 March 2022. The Group also has a Medium Term Note Programme and Medium Term Bond Programme under which it may issue notes up to \$12,000.0 million (2021: \$12,000.0 million) and as of 31 March 2022, \$6,331.3 million (2021: \$6,947.4 million) remained unutilised. Under these uncommitted Programmes, notes issued by the Company may have varying maturities as contracted with the relevant financial institutions.

The Group's holdings of cash and short-term deposits are expected to be sufficient to cover the cost of all firm aircraft deliveries due in the next financial year. It is expected that any shortfall would be met by bank borrowings or public market funding. Due to the necessity to plan aircraft orders well in advance of delivery, it is not economical for the Group to have committed funding in place at present for all outstanding orders, many of which relate to aircraft which will not be delivered for several years. The Group's policies in this regard are in line with the funding policies of other major airlines.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(e) Liquidity risk (continued)

The maturity profile of the financial liabilities of the Group and the Company is as follows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is insignificant.

31 March 2022	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
The Group							
Notes payable	181.7	1,531.8	434.7	818.1	1,403.8	2,148.5	6,518.6
Convertible bonds	13.8	13.8	13.9	863.8	-	-	905.3
Loans	682.7	699.2	686.3	678.9	670.5	1,894.1	5,311.7
Lease liabilities	680.9	610.9	525.7	415.2	330.6	1,854.4	4,417.7
Maintenance reserve	1.8	-	-	-	-	-	1.8
Trade and other creditors	2,733.3	-	-	-	-	-	2,733.3
Derivative financial instruments:							
Fuel derivative contracts	561.8	659.1	453.8	-	-	-	1,674.7
Interest rate swap contracts (net-settled)	12.4	(38.8)	(36.8)	(31.4)	(24.8)	(41.3)	(160.7)
	4,868.4	3,476.0	2,077.6	2,744.6	2,380.1	5,855.7	21,402.4
The Company							
Notes payable	181.7	1,531.8	434.7	818.1	1,403.8	2,148.5	6,518.6
Convertible bonds	13.8	13.8	13.9	863.8	-	-	905.3
Loans	606.8	644.3	632.9	626.9	619.8	1,832.8	4,963.5
Lease liabilities	447.7	428.6	397.3	333.9	259.4	1,404.4	3,271.3
Maintenance reserve	1.8	-	-	-	-	-	1.8
Trade and other creditors	2,068.9	-	-	-	-	-	2,068.9
Amounts owing to subsidiary companies	1,629.8	-	-	-	-	-	1,629.8
Derivative financial instruments:							
Fuel derivative contracts	561.8	659.1	453.8	-	-	-	1,674.7
Interest rate swap contracts (net-settled)	8.8	(38.3)	(36.5)	(31.1)	(24.7)	(41.3)	(163.1)
	5,521.1	3,239.3	1,896.1	2,611.6	2,258.3	5,344.4	20,870.8

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(e) Liquidity risk (continued)

31 March 2021	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
The Group							
Notes payable	356.9	153.8	1,503.8	406.8	790.2	2,652.8	5,864.3
Convertible bonds	13.8	13.8	13.8	13.8	863.8	–	919.0
Loans	742.6	638.5	647.4	658.8	671.9	2,651.1	6,010.3
Lease liabilities	581.5	525.5	463.4	380.7	275.4	1,143.5	3,370.0
Maintenance reserve	1.8	–	–	–	–	–	1.8
Trade and other creditors	2,117.2	–	–	–	–	–	2,117.2
Derivative financial instruments:							
Currency hedging contracts	3.7	–	–	–	–	–	3.7
Fuel hedging contracts	61.4	61.7	146.7	58.1	–	–	327.9
Cross currency swap contracts	0.4	–	–	–	–	3.6	4.0
Interest rate swap contracts (net-settled)	64.5	46.3	23.6	1.2	(13.9)	(117.1)	4.6
	3,943.8	1,439.6	2,798.7	1,519.4	2,587.4	6,333.9	18,622.8
The Company							
Notes payable	356.9	153.8	1,503.8	406.8	790.2	2,652.8	5,864.3
Convertible bonds	13.8	13.8	13.8	13.8	863.8	–	919.0
Loans	674.1	584.4	595.6	606.9	620.4	2,527.0	5,608.4
Lease liabilities	392.5	355.3	336.2	304.8	248.4	1,056.6	2,693.8
Maintenance reserve	1.8	–	–	–	–	–	1.8
Trade and other creditors	1,511.3	–	–	–	–	–	1,511.3
Amounts owing to subsidiary companies	1,530.7	–	–	–	–	–	1,530.7
Derivative financial instruments:							
Currency hedging contracts	3.7	–	–	–	–	–	3.7
Fuel hedging contracts	61.4	61.7	146.7	58.1	–	–	327.9
Cross currency swap contracts	0.4	–	–	–	–	3.6	4.0
Interest rate swap contracts (net-settled)	58.1	41.3	20.5	(0.3)	(14.5)	(117.1)	(12.0)
	4,604.7	1,210.3	2,616.6	1,390.1	2,508.3	6,122.9	18,452.9

(f) Credit risk

The Group has an independent Group Debts Review Committee to review the follow up actions on outstanding receivables monthly. On a day-to-day basis, the respective Finance divisions have the primary responsibility for measuring and managing specific risk exposures.

The maximum exposure to credit risk for the Group and the Company is represented by the carrying amount of each financial asset in the statement of financial position.

There are no significant concentrations of credit risk other than from counterparties of cash and bank balances and derivative instruments, where transactions are limited to financial institutions possessing high credit quality and hence the risk of default is low.

The sale of passenger and cargo transportation is largely achieved through IATA accredited sales agents. The credit risk of such sales agents is relatively small owing to broad diversification. In specific instances, the contract may require special collateral.

Unless expressly stated otherwise in the contract, receivables and payables among airlines are settled either bilaterally or via the IATA Clearing House. Receivables and payables are generally netted and settled at weekly intervals, which lead to a clear reduction in the risk of default.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(f) Credit risk (continued)

For all other service relationships, depending on the nature and scope of the services rendered, collateral is required, credit reports or references are obtained and use is made of historical data from previous business relations, especially with regard to payment behaviour, in order to avoid non-performance.

Collateral requested from debtors include bank guarantees, cash-in-lieu of deposit and security deposits.

The Group determines concentrations of credit risk by monitoring the industry, country and credit rating of its counterparties. The table below shows an analysis of credit risk exposures of balances that exceed 5% of the financial assets of the Group and the Company as at 31 March:

	The Group				The Company			
	Outstanding balance		Percentage of total financial assets		Outstanding balance		Percentage of total financial assets	
	2022	2021	2022	2021	2022	2021	2022	2021
Counterparty profiles								
<u>By industry:</u>								
Travel agencies	666.8	322.9	3.5%	3.2%	665.2	311.6	3.0%	2.4%
Airlines	79.1	140.3	0.4%	1.4%	3,564.1	3,988.0	16.1%	30.2%
Financial institutions	16,390.8	7,823.2	85.6%	78.4%	16,176.9	7,560.2	73.2%	57.3%
Others	1,131.7	898.8	5.9%	9.0%	1,045.3	651.6	4.7%	4.9%
	18,268.4	9,185.2	95.4%	92.0%	21,451.5	12,511.4	97.0%	94.8%
<u>By region:</u>								
East Asia	6,677.7	3,888.8	35.0%	38.9%	9,985.9	7,502.3	45.2%	56.9%
Europe	8,338.2	4,311.0	43.5%	43.2%	8,252.4	4,135.4	37.3%	31.3%
South West Pacific	2,096.6	245.3	10.9%	2.5%	2,091.2	241.6	9.5%	1.8%
Americas	257.5	170.0	1.3%	1.7%	230.3	69.2	1.0%	0.5%
West Asia and Africa	898.4	570.1	4.7%	5.7%	891.7	562.9	4.0%	4.3%
	18,268.4	9,185.2	95.4%	92.0%	21,451.5	12,511.4	97.0%	94.8%
<u>By Moody's credit ratings:</u>								
Investment grade (A to Aaa)	16,903.8	7,809.6	88.3%	78.2%	16,699.8	7,543.2	75.5%	57.2%
Investment grade (Baa)	132.0	6.2	0.7%	0.1%	130.3	3.8	0.6%	-
Non-rated	1,232.6	1,369.4	6.4%	13.7%	4,621.4	4,964.4	20.9%	37.6%
	18,268.4	9,185.2	95.4%	92.0%	21,451.5	12,511.4	97.0%	94.8%

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

42 Reconciliation of Movements of Liabilities to Cash Flows Arising from Financing Activities (in \$ million)

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 April 2021	Proceeds	Repayments	Interest payments	Interest expense	Non-cash changes		Capital Reserve	Interest capitalised	31 March 2022
						Foreign exchange movement	Additions			
Notes payable	5,045.7	811.3	(200.0)	-	1.7	(3.0)	-	-	-	5,655.7
Convertible bonds	767.7	-	-	-	15.4	-	-	-	-	783.1
Loans	5,658.5	6.9	(697.8)	-	3.9	(50.2)	652.2	-	-	5,573.5
Lease liabilities	2,865.0	-	(677.4)	-	136.7	18.7	1,339.5	-	-	3,682.5
Accrued interest	71.7	-	-	(277.0)	233.9	-	-	-	43.9	72.5

	1 April 2020	Proceeds	Repayments	Interest payments	Interest expense	Non-cash changes		Capital Reserve	Interest capitalised	31 March 2021
						Foreign exchange movement	Additions			
Notes payable	4,377.6	1,160.6	(500.0)	-	0.7	6.8	-	-	-	5,045.7
Convertible bonds	-	841.5	-	-	0.5	-	-	(74.3)	-	767.7
Loans	5,446.3	4,561.2	(4,344.1)	-	4.2	(9.1)	-	-	-	5,658.5
Lease liabilities	1,960.6	-	(551.6)	-	63.4	(41.9)	1,434.5	-	-	2,865.0
Accrued interest	46.2	-	-	(232.4)	199.1	-	-	-	58.8	71.7

43 Capital Management (in \$ million)

The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events, such as the Covid-19 pandemic, on cash flows.

The Directors regularly review the Company's capital structure and make adjustments to reflect economic conditions, business strategies and future commitments.

The Group monitors capital using a gearing ratio, which is total debt divided by total capital.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

43 Capital Management (in \$ million) (continued)

During the financial year ended 31 March 2022, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Notes payable	5,655.7	5,045.7	5,655.7	5,045.7
Convertible bonds	783.1	767.7	783.1	767.7
Loans	5,573.5	5,658.5	5,255.9	5,293.7
Lease liabilities	3,682.5	2,865.0	2,737.5	2,291.1
Total debt	15,694.8	14,336.9	14,432.2	13,398.2
Share capital	7,180.2	7,180.2	7,180.2	7,180.2
Mandatory convertible bonds	9,691.2	3,496.1	9,691.2	3,496.1
Reserves	5,540.5	5,229.6	6,623.8	5,835.6
Total capital	22,411.9	15,905.9	23,495.2	16,511.9
Gearing ratio (times)	0.70	0.90	0.61	0.81

44 Related Party Transactions (in \$ million)

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Key Management Personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The Group considers the Directors, Chief Executive Officer and Executive Vice Presidents of the Company to be Key Management Personnel of the Company.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant related party transactions were carried out in the normal course of business during the financial year:

	The Group	
	FY2021/22	FY2020/21
Purchases of services from associated companies	121.9	126.3
Services rendered to associated companies	(21.7)	(23.3)
Purchases of services from joint venture companies	7.6	5.7
Services rendered to joint venture companies	(5.2)	(35.9)
Purchases of services from related parties	603.5	324.8
Services rendered to related parties	(9.7)	(22.0)
Professional fees paid to a firm of which a Director is a member	1.2	3.0

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

44 Related Party Transactions (in \$ million) (continued)

Key Management Personnel remuneration of the Group

	The Group	
	FY2021/22	FY2020/21
<u>Directors</u>		
Salary, bonuses, fee and other costs	2.8	2.5
CPF and other defined contributions	*	*
Share-based compensation expense	2.1	1.4
	4.9	3.9
<u>Key executives (excluding executive Directors)</u>		
Salary, bonuses, fee and other costs	1.7	1.7
CPF and other defined contributions	*	*
Share-based compensation expense	2.1	1.2
	3.8	2.9

* Amount less than \$0.1 million

Conditional awards granted to a Director and key executives of the Company pursuant to the Restricted Share Plan and the Performance Share Plan are as follows:

RSP Base Awards

Name of participant	Balance as at 1 April 2021	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2022	Aggregate Base Awards granted since commencement of RSP to end of financial year under review
Goh Choon Phong	106,000	102,850	106,000	102,850	537,298
Mak Swee Wah	51,000	51,425	51,000	51,425	264,520
Lee Lik Hsin	38,000	38,569	38,000	38,569	138,934
Tan Kai Ping	38,000	38,569	38,000	38,569	185,621

RSP Final Awards (Pending Release)^{R1}

Name of participant	Balance as at 1 April 2021	Final Awards granted during the financial year ¹	Final Awards released during the financial year	Balance as at 31 March 2022	Aggregate ordinary shares released to participant since commencement of RSP to end of financial year under review ²
Goh Choon Phong	51,669	96,460	70,337	77,792	323,126
Mak Swee Wah	25,294	46,410	34,292	37,412	160,417
Lee Lik Hsin	14,574	34,580	22,829	26,325	68,922
Tan Kai Ping	17,381	34,580	24,232	27,729	106,697

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For The Financial Year Ended 31 March 2022

44 Related Party Transactions (in \$ million) (continued)

Deferred RSP Awards

Name of participant	Balance as at 1 April 2021	Adjustment ³	Base Awards vested during the financial year	Balance as at 31 March 2022	Aggregate ordinary shares released to participant since commencement of DSA to end of financial year under review ²
Goh Choon Phong	33,113	1,310	34,423	–	116,622
Mak Swee Wah	15,456	610	16,066	–	57,250
Lee Lik Hsin	8,842	350	9,192	–	21,422
Tan Kai Ping	8,842	350	9,192	–	30,234

PSP Base Awards^{R2}

Name of participant	Balance as at 1 April 2021	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2022	Aggregate Base Awards granted since commencement of PSP to end of financial year under review	Aggregate ordinary shares released to participant since commencement of PSP to end of financial year under review ²
Goh Choon Phong	386,927	154,276	117,093	424,110	788,168	99,680
Mak Swee Wah	160,609	62,853	46,837	176,625	322,248	39,870
Lee Lik Hsin	79,902	47,139	17,032	110,009	141,920	12,240
Tan Kai Ping	88,418	47,139	17,032	118,525	171,479	14,510

TSA Final Awards^{R3}

Name of participant	Balance as at 1 April 2021	Adjustment ⁴	Final Awards released during the financial year	Balance as at 31 March 2022	Aggregate ordinary shares released to participant since commencement of TSA to end of financial year under review ²
Goh Choon Phong	29,451	18,760	48,211	–	119,162
Mak Swee Wah	11,000	8,760	19,760	–	46,260
Lee Lik Hsin	6,280	5,010	11,290	–	26,420
Tan Kai Ping	6,280	5,010	11,290	–	26,420

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

44 Related Party Transactions (in \$ million) (continued)

SSA Base Awards

Name of participant	Balance as at 1 April 2021	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2022	Aggregate Base Awards granted since commencement of SSA to end of financial year under review
Goh Choon Phong	–	153,100	153,100	–	339,800
Mak Swee Wah	–	71,400	71,400	–	158,500
Lee Lik Hsin	–	53,100	53,100	–	87,900
Tan Kai Ping	–	53,100	53,100	–	102,900

SSA Base Awards Final Awards (Pending Release)^{R4}

Name of participant	Balance as at 1 April 2021	Final Awards granted during the financial year ¹	Final Awards released during the financial year	Balance as at 31 March 2022	Aggregate ordinary shares released to participant since commencement of TSA to end of financial year under review ²
Goh Choon Phong	93,350	153,100	123,225	123,225	216,575
Mak Swee Wah	43,550	71,400	57,475	57,475	101,025
Lee Lik Hsin	17,400	53,100	35,250	35,250	52,650
Tan Kai Ping	24,900	53,100	39,000	39,000	63,900

^{R1} The actual number of RSP Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over the one-year performance periods relating to the relevant awards.

^{R2} The actual number of PSP Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the three-year performance periods relating to the relevant awards.

^{R3} The actual number of TSA Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the one-year performance periods relating to the relevant awards.

^{R4} The actual number of SSA Final Awards of fully paid ordinary shares is contingent on BCIRC's assessment of Covid-19 response.

¹ Final Awards granted during the financial year is determined by applying the achievement factor to the Base Awards that have vested during the financial year.

² During the financial year, 151,690, 99,010, 68,873, 90,551 and 254,950 treasury shares were issued to a Director and key executives of the Company pursuant to the RSP, PSP, DSA, TSA and SSA respectively.

³ Adjustment at the end of the performance period relating to accumulated dividend yield during the financial year.

⁴ Adjustment at the end of the performance period relating to an additional equity kicker during the financial year.

45 Subsequent Events

The Group raised \$117.6 million in April 2022 through the completion of sale-and-leaseback transactions for two A320neo aircraft.

On 10 May 2022, the Company announced that its wholly-owned subsidiary company, Tradewinds Tours & Travel Private Limited, intends to submit an application to the Accounting and Corporate Regulatory Authority to strike its name off the register. The approval is subject to the requirements of Sections 344A and 344C of the Companies Act 1967 of Singapore.