

Annual Report FY2022/23



SINGAPORE
AIRLINES

A STAR ALLIANCE MEMBER 

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.

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Chairman's Letter to Shareholders



Our people rose to the occasion, swiftly adjusting to meet evolving customer needs while working to provide a seamless travel experience.

The Singapore Airlines (SIA) Group began the year on a positive note, as Singapore fully opened its borders from 1 April 2022 and significantly relaxed the country's Covid-19 travel protocols. SIA and Scoot, the two airlines within the Group, responded in a nimble and agile manner.

Working closely with key members of Singapore's aviation ecosystem, both carriers were among the first to launch flights, add frequencies to existing destinations, and resume services to more points, capturing pent-up demand as air travel returned.

During the pandemic, the Group maintained its operational resilience by retaining almost all its staff, training and motivating them, and ensuring that they were ready to step up when called upon. We are grateful for the Singapore Government's strong support for the entire aviation sector through its Job Support Scheme, as well as its firm commitment to ensure the recovery of the industry.

Our people rose to the occasion, swiftly adjusting to meet evolving customer needs while working to provide a seamless travel experience.

With our staff in place, we could also keep a large proportion of our fleet operational even when our capacity was low, allowing us to increase aircraft utilisation quickly to meet the uptick in air travel.

As a result, the SIA Group's passenger carriage rose six-fold to more than 26 million in FY2022/23. Our capacity reached 79% as at 31 March 2023, higher than the average of 58% within the Asia-Pacific region, with Group load factors reaching a record of 85.4%. This resulted in record revenues of \$17,775 million, as well as record operating and net profits of \$2,692 million and \$2,157 million, respectively.

With the Group's strong recovery from the pandemic, the Board of Directors was glad to recommend the resumption of dividend payments during the year. Including the interim dividend of 10 cents per share that was paid on 22 December 2022, the Board recommends a final dividend of 28 cents per share for FY2022/23. The total dividend for FY2022/23 is 38 cents per share.

We have fully redeemed the first tranche of the Mandatory Convertible Bonds (MCBs) that were issued in June 2020, and announced the redemption of half of the second tranche that was issued in 2021. With the robust demand for air travel strengthening our liquidity position, the redemptions are fully funded by the Group's cash reserves.

We would like to record our appreciation to all shareholders, especially our majority shareholder Temasek Holdings, for their trust during the pandemic and strong backing for our fundraising efforts.

The Group's Transformation programme has been critical to our strong recovery.

This included launching over 200 initiatives since 2020 to strengthen our ability to generate revenue and enhance cost competitiveness, without compromising on the customer experience. The Transformation programme has also made our people more agile and resilient, qualities that will help us as we navigate challenges and seize new opportunities in the future.

The SIA Group is very thankful for the strong support from its customers. Their affection for our brands and our people got us through this pandemic. We are committed to investing in and offering them best-in-class products and services, as well as enabling a smooth end-to-end customer experience.

We continue to retrofit our flagship Airbus A380 aircraft with our latest long-haul cabin products. We are taking delivery of our Boeing 737-8 aircraft featuring all-new narrowbody cabin products, including lie-flat Business Class seats, giving our customers consistent products and services from the shortest to longest routes on the SIA network. We are also finalising our next-generation long-haul products, including all-new First Class, Business Class, Premium Economy Class, and Economy Class cabin products.

In May 2022, we officially unveiled our all-new flagship SilverKris and KrisFlyer Gold lounges at Singapore Changi Airport Terminal 3, enhancing the on-ground experience at our main hub. Following the \$50 million redesign, revamp, and expansion project, the lounges now have space for around 1,150 travellers at any one time and have been well-received by our customers.

We continue to roll out innovative in-flight services that set new standards. In February 2023, SIA extended free unlimited Wi-Fi access – which was previously only available for Suites and First Class customers – to Business Class customers, as well as PPS Club members and PPS Club supplementary card holders. In May 2023, we announced that this will be further extended to KrisFlyer members in Premium Economy Class and Economy Class from 1 July 2023. With this service available across all cabin classes in almost every SIA aircraft, customers will enjoy the most comprehensive Wi-Fi access in the airline industry.

The Group's multi-hub strategy is key to unlocking new growth opportunities beyond Singapore. In November 2022, SIA and Tata Sons reached an agreement to merge Air India and Vistara, and this is expected to be completed by March 2024, subject to regulatory approvals. When completed, this will bolster our presence in India, and allow us to participate directly in this large and fast-growing market.

We continued to pursue commercial partnerships with like-minded airlines to bolster our commercial proposition to customers. In FY2022/23, we announced partnerships with Thai Airways and Vietnam Airlines, and deepened our collaboration with United Airlines, Malaysia Airlines, and Virgin Australia.

Even as we recover from the pandemic, we are cognisant of the importance of the cargo business and the development of Singapore as a key regional cargo hub. The partnership between DHL Express and SIA took off with the arrival of DHL's new Boeing 777 freighter at Singapore Changi Airport in August 2022. SIA's pilots will operate five of these aircraft as part of our agreement with DHL on routes to the United States of America via North Asia.

Sustainability is a priority for the SIA Group and the entire airline industry. We appointed our first Chief Sustainability Officer this year to steer the Group's sustainability initiatives, as we develop pathways towards achieving net zero carbon emissions by 2050. Our success also depends on the entire aviation ecosystem coming together to achieve these important collective goals. We will continue to work with stakeholders and partners in Singapore and around the world to develop practical solutions for greener air travel.

I would like to convey my heartfelt gratitude on behalf of the Board to our valued customers, shareholders, investors, aviation industry partners, as well as the Singapore Government, for their unwavering and ongoing support. I would also like to take this time to recognise the indomitable spirit of everyone in the SIA Group, as we navigated the depths of the pandemic, and emerge from it stronger than before.

PETER SEAH
Chairman
Singapore Airlines

Significant Events

Q1

APR

MAY

JUN

• • •

Q2

JUL

AUG

SEP

• •

01 APR

SIA and Scoot open their entire network to all fully-vaccinated travellers as Singapore eases border controls

26 APR

SIA and United Airlines expand codeshare agreements

14 MAY

SIA extends Formula 1® Singapore Grand Prix Title Sponsorship for three more years

18 MAY

The SIA Group cuts its full-year net loss by 78%, posts second half operating profit as travel demand returns

30 MAY

SIA unveils its all-new flagship SilverKris and KrisFlyer Gold lounges at Singapore Changi Airport Terminal 3, following a \$50 million re-design, upgrade, and expansion project



08 JUN

CAAS, SIA, and GenZero announce the launch of SAF credits in July 2022, which is part of the pilot announced in November 2021 to advance the use of SAF in Singapore



05 JUL

SIA announces that it will increase services to points across Japan and restore its Indian network to pre-pandemic levels in the coming months

07 JUL

SIA and Scoot operate their first flights with blended SAF from Singapore

28 JUL

The SIA Group posts its first quarter operating profit of \$556 million on surging passenger demand; second highest quarterly operating profit in the SIA Group's history

16 AUG

SIA and DHL Express partnership takes off with the delivery of a new Boeing 777 freighter, which sports a dual DHL-SIA livery. SIA's pilots will operate five of these aircraft on routes to the United States of America via North Asia



Q3

OCT

NOV

DEC

• • •

Q4

JAN

FEB

MAR

03 OCT

The SIA Group announces that it will reinstate flights and increase services to more key destinations across its network, including points in key East Asian markets as border restrictions further ease across the region

04 NOV

The SIA Group posts highest half year and quarterly operating profit in history, and resumes dividend payment

08 NOV

Longstanding alliance partners, Virgin Australia and SIA, resume the sale of Virgin Australia codeshare flights to a host of destinations on SIA's global network

22 NOV

SIA announces that it will boost frequencies to points in East Asia and South East Asia, resume flights to Busan, and increase Airbus A380 services to Australia during the Northern Summer operating season

29 NOV

SIA and Tata Sons reach an agreement to merge Air India and Vistara, and this is expected to be completed by March 2024, subject to regulatory approvals. When completed, this will bolster SIA's presence in India, allowing it to participate directly in this large and fast-growing market

02 DEC

Thai Airways and SIA sign a Memorandum of Understanding to form a new strategy partnership, which will result in the airlines expanding its codeshare arrangements, and exploring wide-ranging commercial collaboration to provide more options and benefits to customers

**01 JAN**

To drive the SIA Group's sustainability strategy, Ms Lee Wen Fen, Senior Vice President Corporate Planning, SIA, is concurrently appointed as the SIA Group's first Chief Sustainability Officer

30 JAN

SIA launches its latest global brand campaign, *Welcome to World Class*, reflecting the Airline's commitment to deliver an exceptional customer experience across the end-to-end travel journey

01 FEB

SIA extends complimentary unlimited Wi-Fi - which was previously only available for Suites and First Class customers - to Business Class customers, as well as PPS Club members and PPS Club supplementary card holders

10 FEB

Vietnam Airlines and SIA sign a Memorandum of Understanding to strengthen commercial collaboration, and facilitate better connectivity between Vietnam and Singapore

**15 FEB**

SIA is named *Airline of the Year* in the 49th annual Air Transport World Airline Industry Achievement Awards

21 FEB

The SIA Group posts record quarterly and nine-month profits on strong demand

20 MAR

Employees of the SIA Group reaffirm commitment to sustainability goals at LIFE Learning Festival

The SIA Group Portfolio

Figures as at 31 March 2023

In FY2022/23, the SIA Group strengthened its network and progressively restored services. This was done in a calibrated manner, in tandem with the easing of travel restrictions around the world. The Group continued to monitor the demand for air travel, and increased its capacity and services progressively.



18,154,900

passengers carried
in FY2022/23

133

passenger aircraft
in operating fleet[#]

74

passenger
destinations served



8,331,178

passengers carried
in FY2022/23

55

passenger aircraft in
operating fleet

58

passenger
destinations served

The SIA Group:

26,486,078

passengers carried
in FY2022/23

188

passenger aircraft in
operating fleet[#]

109

passenger
destinations served[^]

[#] This figure excludes seven Boeing 747-400F freighter aircraft.

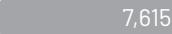
[^] This figure refers to the total number of unique destinations operated by the SIA Group Airlines (including Singapore).

Three-Year Financial Highlights

TOTAL GROUP REVENUE

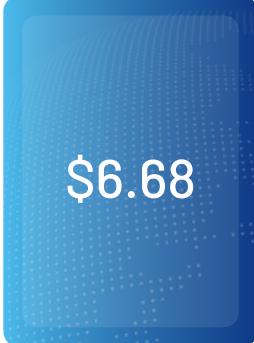
(\$ million)

2022/23  17,775

2021/22  7,615

2020/21  3,816

NET ASSET VALUE PER SHARE:



\$6.68

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

GROUP OPERATING PROFIT/(LOSS)

(\$ million)

2022/23  2,692

2021/22  (610)

2020/21  (2,513)

EARNINGS PER SHARE (BASIC):



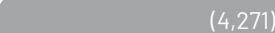
35.6
cents

GROUP NET PROFIT/(LOSS)

(\$ million)

2022/23  2,157

2021/22  (962)

2019/20  (4,271)

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 excluding treasury shares, assuming the conversion of all mandatory convertible bonds in accordance with IAS 33 Earnings Per Share.

Statistical Highlights

Financial Statistics ^{R1}

	2022/23	2021/22	% Change	
The Group				
Financial Results (\$ million)				
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.	
Profit/(Loss)before taxation	2,636.8	(1,090.0)	n.m.	
Profit/(Loss)attributable to owners of the Company	2,156.8	(962.0)	n.m.	
Financial Position (\$ million)				
Share capital	7,180.2	7,180.2	-	
Mandatory convertible bonds	6,195.1	9,691.2	- 36.1	
Treasury shares	(73.8)	(106.5)	+ 30.7	
Capital reserve	(116.0)	(107.3)	- 8.1	
Foreign currency translation reserve	(32.4)	(16.2)	- 100.0	
Share-based compensation reserve	24.3	20.7	+ 17.4	
Fair value reserve	506.9	1,076.2	- 52.9	
General reserve	6,174.0	4,673.6	+ 32.1	
Equity attributable to owners of the Company	19,858.3	22,411.9	- 11.4	
Return on equity holders' funds (%) ^{R2}	10.2	(5.0)	+ 15.2	points
Total assets	49,101.2	48,671.0	+ 0.9	
Total debt	15,339.3	15,694.8	- 2.3	
Total debt : equity ratio (times) ^{R3}	0.77	0.70	+ 0.07	times
Value added	8,154.6	2,820.1	+ 189.2	
Per Share Data				
Earnings/(Loss) - basic (cents) ^{R4}	35.6	(16.2)	n.m.	
Earnings/(Loss) - adjusted basic (cents) ^{R5}	72.6	(32.4)	n.m.	
Earnings/(Loss) - diluted (cents) ^{R6}	35.1	(16.2)	n.m.	
Net asset value (\$) ^{R7}	6.68	7.55	- 11.5	
Adjusted net asset value (\$) ^{R8}	3.72	3.40	+ 9.4	
The Full-Service Carrier^{R9}				
Financial Results (\$ million)				
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.	
Profit/(Loss)before taxation	2,724.9	(377.4)	n.m.	
Profit/(Loss)after taxation	2,218.9	(314.0)	n.m.	
Value added	7,122.6	2,775.1	+ 156.7	

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

^{R2} Return on equity holders' funds is profit/(loss)attributable to owners of the Company expressed as a percentage of the average equity holders' funds.

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

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

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

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

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

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

^{R9} Following the integration of SilkAir (Singapore) Private Limited ("SilkAir") with the Company, the financial statistics for Singapore Airlines and SilkAir are consolidated and presented under the Full-Service Carrier ("FSC").

Operating Statistics

	2022/23	2021/22	% Change
Singapore Airlines (and SilkAir)			
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 (cents/pkm)	12.7	13.1	- 3.1
Revenue per available seat-km (cents/ask)	10.9	4.3	+ 153.5
Passenger unit cost (cents/ask)	9.8	8.0	+ 22.5
Passenger unit cost ex-fuel (cents/ask)	6.0	5.5	+ 9.1
Scoot			
Passengers carried (thousand)	8,331	502	+ 1,559.6
Revenue passenger-km (million)	22,602.9	1,486.8	+ 1,420.2
Available seat-km (million)	26,932.6	9,822.2	+ 174.2
Passenger load factor (%)	83.9	15.1	+ 68.8 points
Passenger yield (cents/pkm)	8.2	20.0	- 59.0
Revenue per available seat-km (cents/ask)	6.9	3.0	+ 130.0
Passenger unit cost (cents/ask)	6.5	7.7	- 15.6
Passenger unit cost ex-fuel (cents/ask)	4.4	6.2	- 29.0
Group Airlines (Passenger)			
Passengers carried (thousand)	26,486	3,890	+ 580.9
Revenue passenger-km (million)	113,628.1	20,664.5	+ 449.9
Available seat-km (million)	133,031.9	68,570.3	+ 94.0
Passenger load factor (%)	85.4	30.1	+ 55.3 points
Passenger yield (cents/pkm)	11.8	13.6	- 13.2
Revenue per available seat-km (cents/ask)	10.0	4.1	+ 143.9
Group Airlines (Cargo)			
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 points
Cargo yield (cents/ltk)	68.5	73.0	- 6.2
Cargo unit cost (cents/ctk)	24.9	27.2	- 8.5
Employee Productivity (Average) - Singapore Airlines (and SilkAir)			
Average number of employees	14,803	14,526	+ 1.9
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
Employee Productivity (Average) - Group			
Average number of employees	22,819	22,214	+ 2.7
Revenue per employee (\$)	778,947	342,793	+ 127.2
Value added per employee (\$)	357,360	126,951	+ 181.5

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)

Our Transformation Journey

The past year continued to present significant challenges and opportunities for the aviation industry, as geopolitical tensions and rising costs damped the optimism over the return of global travel. SIA recently completed its three-year Transformation programme to help the Airline better navigate the uncertainties faced, and to reinforce its industry leadership position.

This effort has involved pursuing hundreds of initiatives aimed at achieving financial sustainability, developing a dynamic and resilient workforce, and reinforcing SIA's dedication to product and service excellence. Amid a volatile operating environment, SIA recognised that the ability to respond to market changes in a timely manner would be key to staying ahead of the competition. With this in mind, the Group ensured the operational readiness of its resources to ride the rebound in demand for air travel.

POSITIONING FOR SUCCESS IN THE NEW NORMAL

As the world emerged from the pandemic, SIA swiftly adjusted its operations to meet evolving customer needs and provide a seamless travel experience. SIA's investments in its products and services reflect the efforts made to enhance the customer journey. SIA recently unveiled its all-new flagship SilverKris and KrisFlyer Gold lounges at Singapore Changi Airport Terminal 3, which have been well-received by customers.

SIA also bolstered its operational resilience to efficiently increase its flights in response to the surge in the demand for air travel. This involved not only ensuring sufficient manpower, but also doubling down on digital technology and tools to support the Airline's operations. For instance, SIA's innovative cabin crew and pilot digital ecosystems have empowered all flight crew with the necessary resources while on the move. Meanwhile, real-time dashboards and data analytics have fuelled more informed decision-making, enabling operational units such as the Engineering Division and the Airport Operations team to effectively manage disruptions.



These efforts reflect SIA's steadfast commitment to providing a world-class travel experience, which has played no small part in the widespread industry recognition the Group has received in the past year. SIA was ranked No. 31 in Fortune magazine's coveted list of 2023 World's Most Admired Companies, becoming the highest-ranked Asian firm in this list. SIA was also named *Airline of the Year* in the 49th Annual Air Transport World Airline Industry Achievement Awards in 2023.

As the world emerged from the pandemic, SIA swiftly adjusted its operations to meet evolving customer needs and provide a seamless travel experience.



REGAINING FINANCIAL SUSTAINABILITY

Over the course of the Transformation programme that began in 2020, SIA has launched over 200 diverse initiatives to strengthen its ability to generate revenue and enhance cost competitiveness, without compromising on the customer experience.

With an eye towards its future, SIA continued to build and deepen partnerships with new and existing airlines. This included the expansion of SIA's codeshare agreement with United Airlines to include 19 new destinations, and the resumption of SIA's longstanding alliance partnership with Virgin Australia.

To support the Cargo business, SIA invested in a new Integrated Cargo Management System, which is the Group's backbone system for reservations, operations, and revenue accounting. The partnership took flight in August 2022 with two of five new Boeing 777 freighters commencing operations to support the fast-growing e-commerce segment, and reinforce Singapore's position as a key air cargo hub.

RESILIENT WORKFORCE

Upgrading the skills of its workforce has been a key priority since the onset of the pandemic. SIA continued to invest in its talent with the launch of a comprehensive upskilling programme to equip employees with future-ready skills, particularly in the areas of Change Management, Digital Innovation, and Design Thinking.

SIA recognises that investing in its people's growth and development is essential to sustainably delivering value to customers, employees, and stakeholders for the long term. SIA remains committed to building on the momentum of its transformation over the past three years, and will continue to drive growth and innovation across all layers of the organisation.



Board of Directors



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 Chief Executive Officer

Mr Goh joined Singapore Airlines Limited in 1990 and has held senior management positions in various divisions in Singapore and overseas, ranging from Marketing to Information Technology to Finance and Cargo. Prior to his appointment as Chief Executive Officer, Mr Goh was Executive Vice President for Marketing and the Regions, and also served as President of Singapore Airlines Cargo Pte Ltd, from 2006 to 2010. 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 (raiSE) 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.

Board of Directors (Continued)



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 (IPOs) 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.



HSIEH TSUN-YAN

Director

Mr Hsieh is the Chairman and Lead Counselor of LinHart Group, a leadership solutions firm founded by Mr Hsieh in 2008. Mr Hsieh has extensive experience in business strategy, leadership development and corporate transformation. He was with management consulting firm, McKinsey & Company, for 28 years, and held posts in Singapore, Toronto and Copenhagen. He holds a joint appointment as Professor (Practice) at the National University of Singapore Business School and the Lee Kuan Yew School of Public Policy. His past Board roles include Bharti Airtel Limited, India; Sony Corporation, Japan; Dyson Holdings Pte. Ltd., Singapore; Manulife US Real Estate Management Pte. Ltd., Singapore; the Singapore International Foundation; Duke-NUS Medical School, Singapore; the Singapore Symphony Orchestra; Covenant House Canada; and the University Health Network Foundation in Toronto. Mr Hsieh has been a Director of Singapore Airlines Limited since 1 September 2012.

**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 PricewaterhouseCoopers LLP (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.

The Year in Review

Despite the pandemic, the Group remained committed to its longstanding strategy of buying and operating new generation aircraft. This enables it to drive further operating efficiencies and support ongoing efforts to materially lower carbon emissions.

The Singapore Airlines (SIA) Group reported a record net profit of \$2,157 million for FY2022/23, reversing a net loss of \$962 million from the year before and registering an improvement of \$3,119 million.

This was mainly driven by better operating performance (+\$3,302 million) and lower net finance charges (+\$338 million), and partially offset by a tax expense versus a tax credit last year (-\$615 million).

Group revenue increased by \$10,160 million (+133.4%) year-on-year to a record \$17,775 million, as the Group collectively carried 26.5 million passengers in FY2022/23, up six-times from a year before. Cargo flown revenue fell \$735 million (-16.9%) to \$3,604 million as a result of lower cargo loads and yields. Notwithstanding, this was the second-highest annual cargo revenue figure in the Group's 76-year history.

Group expenditure grew by \$6,858 million (+83.4%) to \$15,083 million. This comprised a \$3,020 million (+138.0%) increase in net fuel costs, a \$3,761 million increase (+61.5%) in non-fuel expenditure, and a \$77 million increase from the year-on-year impact of the fair value changes on fuel derivatives. Net fuel cost rose to \$5,209 million, mainly due to the 49.6% increase in fuel prices (+\$1,942 million) and higher volumes uplifted (+\$1,495 million), and this was partially offset by higher fuel hedging gains (-\$530 million). The increase in non-fuel expenditure was well within the 94.0% increase in passenger capacity.

OPERATING PERFORMANCE

At the onset of the Covid-19 pandemic in 2020, the Group acted swiftly and decisively to shore up liquidity and build its financial resilience. This strong liquidity position, and the confidence it engendered, enabled the Group to take

a long-term view and make several strategic decisions ahead of the recovery in global air travel.

SIA and Scoot retained most of their talented staff, who were ready to step up when called upon. A large proportion of the Group's aircraft fleet were kept operational, albeit at low utilisation levels in the early phase of the recovery, ensuring that they were properly maintained and fully functional. The Group built up a strong base network in a deliberate and calibrated manner, ensuring that SIA and Scoot were in position to ramp up ahead of any return in passenger traffic.

As a result, when the demand for air travel surged in FY2022/23 after Singapore fully reopened its borders in April 2022, and as restrictions on international air travel eased globally, SIA and Scoot ramped up operations at short notice. Working collaboratively with key members of Singapore's aviation ecosystem, both carriers were among the first to launch flights as borders reopened, and captured the pent-up demand as air travel returned.

During the year in review, Group passenger capacity (measured in available seat-kilometres) reached 79% of pre-Covid levels¹ in March 2023, higher than the 58% level² for international scheduled services of Asia-Pacific airlines.

Passenger carriage rose significantly across the Group's carriers, as SIA catapulted from 3.388 million passengers carried last year to 18.155 million this financial year, an increase of 435.9%. Scoot's passenger carriage increased by 1,559.6% from 502,000 to 8,331 million. Passenger load factor (PLF) jumped 55.3 percentage points to 85.4%, the highest in the Group's history, with SIA achieving a record PLF of 85.8% while Scoot delivered a PLF of 83.9%.

¹ Pre-Covid refers to January 2020, before the onset of the Covid-19 pandemic.

² 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.

Passenger load factor (PLF) jumped

55.3 percentage points to 85.4%



SIA achieved a record PLF of
85.8%

Scoot delivered a PLF of
83.9%

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% above the pre-Covid level recorded in calendar year 2019.

OUTLOOK

The demand for air travel remains robust in the first quarter of FY2023/24, underpinned by the recovery in air travel in East Asia. Forward sales remain healthy across all cabin classes, led by a strong pick up in bookings to China, Japan, and South Korea. The Group will monitor the demand for air travel, and adjust its capacity accordingly.

Near term cargo demand is expected to remain soft as the industry navigates headwinds from the macroeconomic environment, and as inventory levels recalibrate to post-Covid conditions. Inflation and weak economic conditions will impact consumer demand and trade. Increased bellyhold capacity amid softer demand continues to exert downward pressure on cargo yields, particularly on key trade lanes.

Geopolitical and macroeconomic uncertainties, as well as high cost inflation, could pose challenges for the airline industry in the months ahead. Even though fuel prices have moderated in recent months, they remain at elevated levels. As competition is expected to increase with more capacity being injected on international routes, the Group will monitor developments closely, and be agile and nimble in its response.

The two chapters of the SIA Group's Transformation programme, the first running from FY2017/18 to FY2019/20 and the second from FY2020/21 to FY2022/23, have strengthened its foundations to help the Group navigate future challenges.

Despite the pandemic, the Group remained committed to its longstanding strategy of buying and operating new generation aircraft. This enables it to drive further operating efficiencies and support ongoing efforts to materially lower carbon emissions. The Group also continued investing in industry-leading products and services to strengthen its premium branding. This included the retrofit of its Airbus A380 and Boeing 737-8 aircraft, the revamp of its flagship lounges at Singapore Changi Airport Terminal 3, and an order for the all-new Airbus A350F freighters.

To prepare for the future, several strategic initiatives were undertaken, including the continued expansion of its network through deeper collaboration with like-minded airlines, the proposed merger of Air India and Vistara to bolster SIA's presence in the fast-growing Indian aviation market, as well as Scoot's decision to lease nine Embraer E190-E2 aircraft and expand its footprint to secondary points in the region.

The Group's robust financial position, commitment to offering best-in-class products and services, agility and resilience, as well as its dedicated and talented staff members, will continue to strengthen its leadership position in the airline industry.

The SIA Group is grateful to all customers, shareholders, partners, staff, and stakeholders for their continued support, which it does not take for granted.

In view of the stellar performance, the Board of Directors recommends a final dividend of 28 cents per share for the financial year ended 31 March 2023.

Including the interim dividend of 10 cents per share paid on 22 December 2022, the total dividend for FY2022/23 will be 38 cents per share, subject to shareholder approval at the Annual General Meeting on 27 July 2023.

Network

Faced with a rapidly changing travel landscape in FY2022/23, the SIA Group responded swiftly by restoring passenger capacity and increasing frequencies to existing destinations to restore connectivity.

Countries around the world continued to relax international border restrictions during the year, unleashing pent up demand for global air travel. Significantly, Singapore fully opened its borders to vaccinated travellers and simplified travel protocols for entry into the country from 1 April 2022, and lifted its remaining Covid-19 border measures by 13 February 2023. Inbound travellers were no longer required to show proof of vaccination status, negative pre-departure test result, or travel insurance purchase.

The consequent uptick in the demand for global air travel led to the SIA Group increasing its passenger capacity to 79% of pre-Covid levels by March 2023. SIA quickly reinstated flight services in India, and increased frequencies to destinations across its network, such as Australia, Hong Kong SAR, Japan, South Korea, and Taiwan. To support the surge in the demand for air travel, Scoot launched flights to Jeju, Lombok and Makassar, and resumed flights to Yogyakarta and Pekanbaru. This allowed SIA and Scoot to meet the buoyant demand for international travel, particularly towards the year-end holiday season.

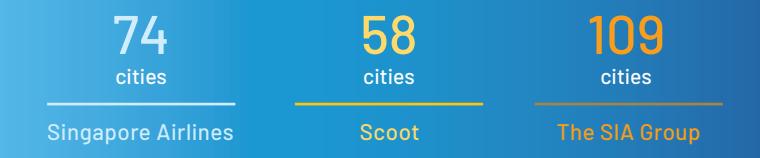
The Group also reinstated passenger services to destinations which had been previously cancelled due to the pandemic, including Cebu, Hangzhou, and Guangzhou. These efforts enabled the SIA Group to restore its network to 109 destinations in 36 countries and territories, representing 80% of its pre-Covid network of 137 destinations in 37 countries and territories.



By the end of FY2022/23, SIA operated 912 weekly frequencies to 74 destinations, including Singapore. Meanwhile, Scoot operated 481 weekly frequencies to 58 destinations, including Singapore. As the recovery in air travel progresses, the SIA Group will continue to build and adapt its network in an agile and efficient manner.



NUMBER OF PASSENGER DESTINATIONS AS AT 31 MARCH 2023



AIRLINE



THE AMERICAS	Houston Los Angeles New York (EWR) New York (JFK) San Francisco Seattle Vancouver	SOUTH EAST ASIA	Nagoya Osaka Seoul Shanghai Taipei Tokyo (HND) Tokyo (NRT)	SOUTH WEST PACIFIC	Adelaide Auckland Brisbane Cairns Christchurch Darwin Melbourne Perth Sydney
EUROPE	Amsterdam Barcelona Copenhagen Frankfurt Istanbul London Manchester Milan Munich Paris Rome Zurich	SOUTH EAST ASIA	Bandar Seri Begawan Bangkok Cebu Da Nang Davao Denpasar Hanoi Ho Chi Minh City Jakarta Kuala Lumpur Manila Medan Penang Phnom Penh Phuket Siem Reap Singapore Surabaya Yangon	WEST ASIA AND AFRICA	Ahmedabad Bengaluru Cape Town Chennai Colombo Delhi Dhaka Dubai Hyderabad Johannesburg Kathmandu Kochi Kolkata Male Mumbai
NORTH ASIA	Beijing Chengdu Fukuoka Guangzhou Hong Kong SAR				



EUROPE	Athens Berlin	SOUTH EAST ASIA	Balikpapan Bangkok Cebu Chiang Mai Clark Davao Denpasar Hanoi Hat Yai Ho Chi Minh City Ipoh Jakarta Kota Kinabalu Krabi Kuala Lumpur Kuantan Kuching Langkawi Lombok Makassar Manado Manila	SOUTH WEST PACIFIC	Miri Pekanbaru Penang Phuket Singapore Surabaya Vientiane Yogyakarta
NORTH ASIA	Fuzhou Guangzhou Hangzhou Hong Kong SAR Jeju Macau SAR Nanjing Osaka Qingdao Sapporo Seoul Taipei Tianjin Tokyo (NRT) Zhengzhou			WEST ASIA AND AFRICA	Gold Coast Melbourne Perth Sydney

Fleet

Singapore Airlines remains committed to operating a modern and fuel-efficient fleet as the aviation industry recovers from the pandemic.

In FY2022/23, the SIA Group reached an agreement with Boeing to revise its aircraft order book and reschedule the remaining deliveries. This resulted in the Group cancelling eight Boeing 737-8s, and converting three Scoot Boeing 787-9s to three SIA Boeing 787-10s in response to its long-term fleet and network requirements.

In FY2022/23, SIA took delivery of four Airbus A350-900s and three Boeing 737-8s, while Scoot took delivery of one Airbus A320neo.

As of 31 March 2023, the Group had 195 passenger and freighter aircraft in its operating fleet, with a combined average age of six years and nine months. This is one of the youngest in the airline industry, where the global average is more than 15 years³.

The SIA passenger aircraft fleet comprised 133 aircraft with an average age of six years and two months. This included 61 Airbus A350-900s, 12 Airbus A380-800s, 15 Boeing 787-10s, 23 Boeing 777-300ERs, seven Boeing 737-800s, and 15 Boeing 737-8s.

SIA's freighter aircraft fleet comprised seven Boeing 747-400 freighters with an average age of 19 years and four months. SIA also operates two Boeing 777-200 freighters, with a joint DHL-SIA livery, for DHL Express under a Crew and Maintenance agreement, which was signed in March 2022. Another three of these Boeing 777-200 freighters are scheduled to be delivered under the agreement.

SIA also received an Airbus A350-900 in March 2023 and one Boeing 737-8 that was delivered in February 2022, and both aircraft entered service in April 2023.

SIA's aircraft order book included 63 passenger aircraft on firm order, comprising three Airbus A350-900s, 16 Boeing 787-10s, 31 Boeing 777-9s, and 13 Boeing 737-8s, as well as a further seven Airbus A350F freighters on firm order.

Scoot's operating fleet of 55 aircraft was made up of 20 Airbus A320ceos, six Airbus A320neos, nine Airbus A321neos, 10 Boeing 787-8s, and 10 Boeing 787-9s.

Scoot has signed a Letter of Intent to add nine new Embraer E190-E2 aircraft to its fleet, as it seeks to drive growth and enhance network connectivity. It will be the first carrier in Singapore to operate the Embraer E190-E2, which will be deployed on short- and medium-haul flights of up to five hours. Scoot has another 12 Airbus A320neos, six Airbus A321neos, three Boeing 787-8s, and one Boeing 787-9 on firm order, bringing its order book to 31 aircraft.

AS AT 31 MARCH 2023	FLEET AGE (AVERAGE AGE)		AIRCRAFT IN OPERATING FLEET
	6 Years	2 Months	133
	6 Years	8 Months	55
	19 Years	4 Months	7
COMBINED TOTAL	6 Years	9 Months	195

³ According to Centre for Aviation (CAPA) data.

Cargo

The air cargo market faced challenges on multiple fronts in FY2022/23, with demand softening in the face of macroeconomic headwinds and fewer production orders, as importers trimmed inventory levels and concerns over slowing consumer demand mounted. Air cargo yields were also compressed by rising bellyhold cargo capacity due to the resumption of more passenger flights.

Despite these obstacles, SIA's Cargo Division was able to generate revenue of \$3,604 million for the year. Notwithstanding, this was the second-highest annual cargo revenue figure in the Group's 76-year history, and a significant improvement from pre-Covid levels recorded in calendar year 2019.

CAPACITY EXPANSION AND FLEET RENEWAL

To supplement its bellyhold cargo capacity on passenger flights, SIA continued to operate cargo-only passenger flights, mainly between China and Singapore. These cargo-only flights were gradually replaced by regular passenger flights as border restrictions eased. As more passenger flights across the SIA Group's network resumed during the year, bellyhold cargo capacity rebounded sharply in FY2022/23.

SIA is on track to become the first airline to fly the Airbus A350F freighters, with the first aircraft due to be delivered in the fourth quarter

2025. The Airline has ordered seven of these new generation freighters, with options for another five aircraft. This new aircraft will consume up to 40% less fuel on similar routes operated by the existing Boeing 747-400F aircraft, enabling SIA to reduce carbon emissions by around 400,000 tonnes annually. They will also allow greater operational flexibility in terms of freighter deployment, and continue to effectively serve key verticals such as aerospace, pharmaceuticals, and fresh produce.

SIA has been working closely with Airbus on the entry-into-service of the Airbus A350F since signing the agreement in February 2022.



Cargo (Continued)

GROWING KEY VERTICALS

SIA's partnership with DHL Express also bore fruit during the year. The inaugural commercial flight took to the skies in August 2022, with the first of five Boeing 777 freighters to be operated under this tie-up. The second Boeing 777F arrived in November 2022, while the remaining three freighters are slated for delivery over the course of 2023. All five freighters will be operated by SIA pilots on routes between the United States and Singapore via points in North Asia and Australia.

This partnership not only reinforces the Group's longstanding collaboration with DHL, but also deepens SIA's foothold in the key e-commerce industry, and solidifies Singapore's role as a significant global air cargo hub.

Although the global pandemic receded from prominence in FY2022/23, Covid-19 continued to be a worrying presence in many parts of the world. Against this backdrop, the Cargo Division continued to play an important role in the ongoing fight against Covid-19 by reliably transporting time- and temperature-sensitive vaccines with the utmost care.

Supporting this effort was its THRU COOL service, which enables customers to monitor their pharmaceutical shipments conveniently through a range of temperature-controlled Unit Load Devices and trackers approved for use on the Group's freighter and passenger aircraft. SIA further expanded its THRU COOL pharmaceutical quality corridor network by adding Brussels, Frankfurt, and Hyderabad, with an eye on integrating more lanes into the network in the future.

In March 2023, the International Air Transport Association (IATA) endorsed SIA's pharmaceutical handling capabilities by re-certifying the Group



under the its Centre of Excellence for Independent Validators in Pharmaceutical Logistics programme.

On the events front, SIA once again transported Formula One equipment for the Singapore Grand Prix, which returned in 2022 after a two-year hiatus due to the pandemic. This involved chartering flights from Europe to Singapore, and from the city-state to Nagoya, Japan after the race. SIA also operated a chartered flight to transport MotoGP equipment from Australia to Kuala Lumpur, Malaysia in October 2022.

With cross-border e-commerce a key growth driver for the cargo business, the Cargo Division was able to leverage its blockchain-based platform, Parxl, to expand its presence in this important space. The Group has delivered over half a million packages since the launch of Parxl in 2021.

STRENGTHENING CAPABILITIES

As part of its ongoing digital transformation, SIA implemented iCargo, a digital platform for air cargo management. Among other capabilities, iCargo enables the Airline to scale its online distribution and integrate seamlessly with partners, such as distribution channels and marketplaces.

Through a partnership with WiseTech Global, SIA also offered its customers the ability to make electronic cargo bookings in real-time, raising productivity in the process. The solution has seen a robust uptake, and was progressively rolled out in South East Asia, North Asia, West Asia, and Africa, as well as the South West Pacific regions.

As an additional measure to prevent any processing errors when it comes to Dangerous Goods (DG) deliveries, SIA has developed a solution to confirm the accuracy of DG shipment details on each of its flights. The DG Reconciliation System has been deployed in more than 50 airports, and will be progressively introduced across the rest of the Group's network.

Finally, SIA launched a Mishandling Case tool to better identify and record mishandled cargo cases. This will help to enhance the efficiency of managing such cases, while reducing the time taken to resolve them.

Customer Experience

SEAMLESS & PERSONALISED EXPERIENCE WITH SIA



Singapore Airlines continued to enhance the end-to-end travel experience in FY2022/23, even as it welcomed a high volume of customers on board its flights following the robust recovery in global air travel. Apart from changes in border restrictions, many products and service offerings were also progressively restored following their curtailment during the pandemic.

Amid this rapidly shifting landscape, SIA leveraged digital technologies such as data analytics and machine learning to gather sharper insights from its Voice of Customer (VOC) feedback programme.

Through machine learning, the Group was able to efficiently analyse customer feedback and categorise sentiments into topics with increased

data confidence. Analytics tools were employed to determine the varying significance of SIA's touchpoints, their relative importance to customers, and how customer satisfaction scores were impacted by product and service changes across different cabin classes. These efforts enabled the Customer Experience team to work more effectively with other business units to devise targeted action plans quickly.

HARNESSING INSIGHTS

SIA business units were able to access the insights garnered from the VOC through the Customer Insights Portal (CIP), harnessing them to deliver a seamless customer journey. The number of CIP users increased to over 600 in FY2022/23, a two-fold increase since the platform's launch two years

ago. The CIP is complemented by almost 35 dashboards that were developed and enhanced over the last 12 months.

Through the CIP, users can effectively generate a holistic view of customers' end-to-end journeys, including their reactions at different touchpoints. The portal also enables near real-time monitoring of customer feedback and the timely resolution of issues.

SIA also conducted extensive research to support business units seeking to better understand global consumer trends and changing customer behaviour. The research covered key areas such as the Group's premium products and services, customer support channel needs, and in-flight meal concepts.

Customer Experience (Continued)

RE-IMAGINING THE CUSTOMER JOURNEY

SIA held in-person workshops to re-imagine the customer journey following the easing of pandemic-related workplace safety measures. For instance, the transit and boarding experiences were mapped out to better understand and enhance the customer ground experience. Internal processes were reviewed at key touchpoints to ease the pressure on frontliners tasked to deliver world-class customer service under time pressure.

SIA also enhanced its Customer Experience Management (CEM) system, which gathers customer preferences, interactions, and feedback, to generate insights that can help meet changing customer needs. Through data gathered by the CEM system, SIA was able to determine that cleanliness had become a key factor in influencing customer satisfaction, an important aspect of SIA's health and safety measures, which were enhanced during the pandemic.

Through machine learning, the Group was able to efficiently analyse customer feedback and categorise sentiments into topics with increased data confidence.

A taskforce was set up to review and coordinate communications across the customer journey, to deliver useful and relevant information through the various platforms at appropriate junctures. This aims to raise customers' awareness on available options, and allows them to familiarise themselves on SIA's wide range of products and services, facilitating seamless travel. To monitor effectiveness of these communications, regular surveys are conducted to better understand customers' sentiments on trends, preferences, and their expectations.

PROTECTING CUSTOMERS' DATA

To ensure that the data collected are used in a responsible and meaningful manner, SIA has established strategies, processes, and policies to protect customers' data rights, manage risks, and execute business objectives effectively. The Group recognises that the data obtained through its various systems are key to delivering service excellence, improving decision-making, and ensuring success in the competitive aviation landscape.



Airport Operations

Singapore Airlines remained focused on ensuring safe and efficient airport operations for all its customers, both at home and abroad, despite dealing with resource limitations and infrastructure constraints in several markets amid soaring demand for international travel in FY2022/23.

SUPPORTING SIA'S RECOVERY

SIA's Airport Operations team supported the Group's efforts to cope with the pandemic by publishing a clear and user-friendly guide to help frontliners navigate complex Covid-19-related entry requirements. This helped to ensure that customers had the correct documents prepared for their travels. As countries progressively eased their border clearance requirements, the team coordinated closely with SIA's overseas teams to keep the information current.

SIA also worked closely with airport authorities and service partners around the world to ensure that facilities were ready, and sufficient resources were available to support the Group's operations ahead of the recovery.

This early preparation not only allowed SIA to restart its operations quickly, but also enabled it to effectively navigate disruptions that occurred across many airports worldwide due to the sharp recovery in global travel.

In Singapore, SIA moved its South East Asia flights back to Changi Airport Terminal 2 in September 2022, ahead of schedule. This came as Changi Airport added much-needed capacity in response to the rising demand for air travel.

ENHANCING THE CHECK-IN EXPERIENCE

SIA leveraged automation and technology to enable a more convenient and seamless departure check-in experience. This involved deploying additional Self-service Check-in Kiosks and Automatic Bag Drop machines at Changi Airport, thus reducing the need for manual handling at check-in counters. The more efficient check-in layout at the newly-renovated Changi Airport Terminal 2 Fast-And-Seamless-Travel (FAST) zone also facilitated faster self-service check-ins and bag drops.

12

SilverKris Lounges worldwide

67.4%

of customers departing Singapore completed self-service check-in via the Singapore Airlines website, SingaporeAir mobile app and self-service kiosks

30%

more seats and space in the all-new flagship SilverKris and KrisFlyer Gold lounges at Singapore Changi Airport Terminal 3

SIA also introduced a kiosk companion application that helps service representatives resolve customer issues more promptly. The application was progressively rolled out to five overseas airports, resulting in shorter queues and wait times at check-in counters.



Airport Operations (Continued)

SIA'S SILVERKRIS LOUNGES

SIA's commitment to enhancing its customers' travel experience was reflected in the revamped and all-new flagship SilverKris and KrisFlyer Gold lounges at Changi Airport Terminal 3, which were officially unveiled by Singapore's Minister for Transport, S. Iswaran, on 30 May 2022.

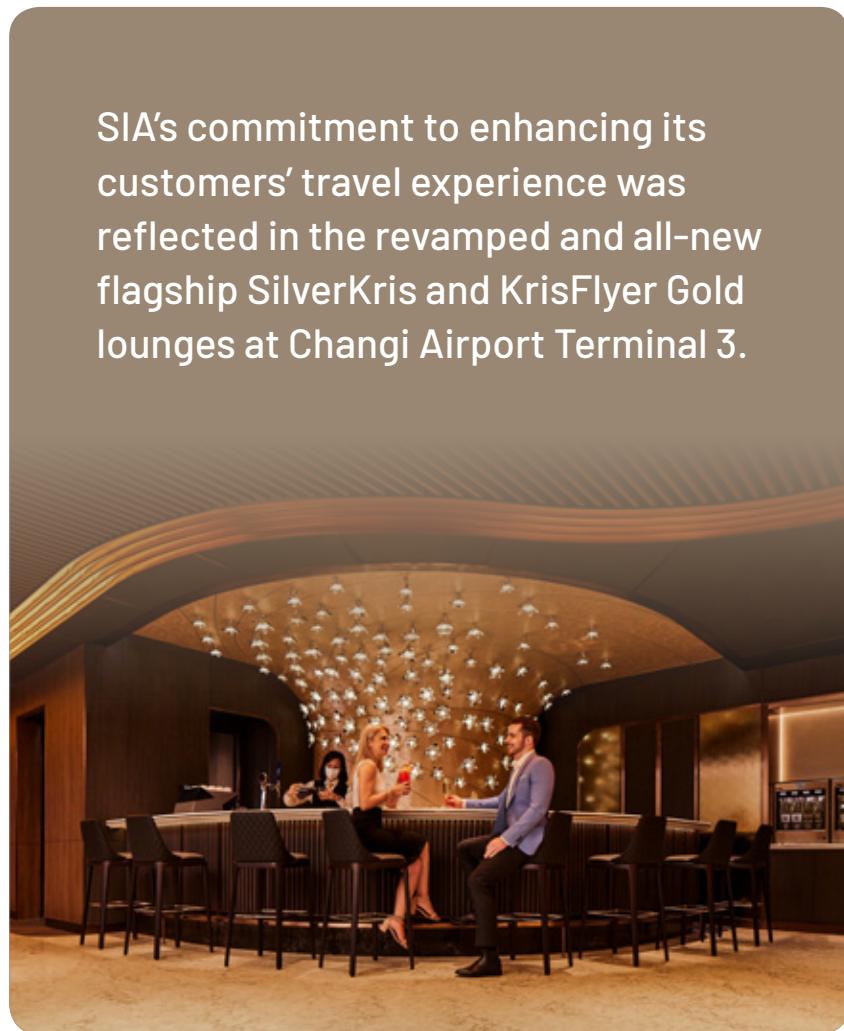
A bespoke signature glass art wall featuring the SIA batik motif welcomes customers to the lounge, which now features 30% more floor space.

The re-designed The Private Room and First Class SilverKris Lounge offer dedicated day rooms for rest and privacy. The food and beverage facilities have also been expanded to deliver greater variety, catering to a wide range of customers. New features include live stations preparing popular local favourites and international selections, and a stunning Lalique-designed crystal bar in the First Class section offering barista and bartender services in the day and evening respectively.

The SilverKris Business Class Lounge boasts a variety of seating configurations, such as al fresco seating, communal high tables for groups, and productivity pods for customers who need a quiet space to work. The Business Class section also comes with a rest area featuring 14 chaise lounge chairs nestled in semi-enclosed cubicles.

The KrisFlyer Gold Lounge in Changi Airport Terminal 3 reopened its doors in May 2022. The lounge doubled in size than before and feature an open and contemporary design with the view of the airport runway.

SIA's commitment to enhancing its customers' travel experience was reflected in the revamped and all-new flagship SilverKris and KrisFlyer Gold lounges at Changi Airport Terminal 3.



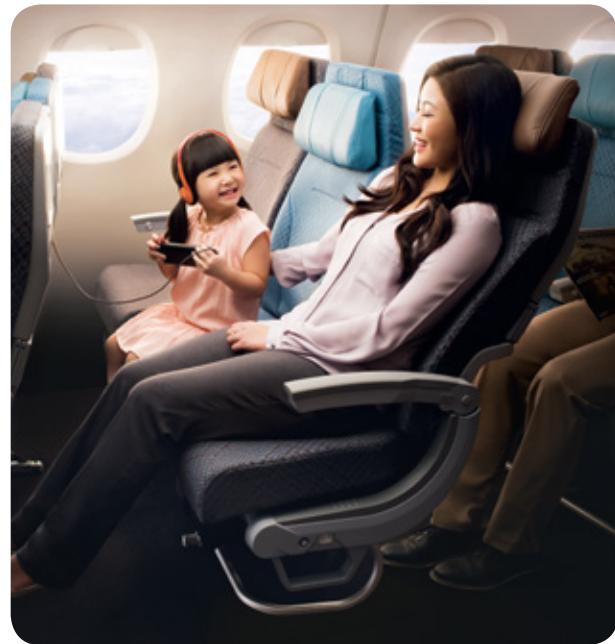
Revamped facilities of the lounge include dedicated washrooms and shower facilities, an expanded dining area and open concept work spaces.

Over at Changi Airport Terminal 2, the SilverKris Lounge and KrisFlyer Gold Lounge reopened following some minor refurbishments. There are also ongoing works to the First Class Check-in Reception at Changi Airport Terminal 2, which is expected to begin operations by the third quarter of FY2022/23.

Seven of SIA's SilverKris lounges abroad have since reopened, and the SilverKris lounges in Hong Kong SAR, Taipei, and Seoul will progressively welcome passengers in 2023. In Perth, a new SilverKris Lounge has begun development works based on SIA's *Home Away from Home* design concept, which draws elements from the new flagship lounges at Changi Airport Terminal 3. This new lounge is expected to open its doors before the end of 2023.

Product Innovation

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 FY2022/23. These new and expanded features reflect the Group's commitment to providing an elevated customer experience through technology and innovation.



LIVE TV ON MORE FLIGHTS

More SIA customers can now stay abreast of the latest news and sporting events through its Live TV service. Following a successful trial on its Airbus A350 ultra-long-range aircraft in 2021, SIA has steadily expanded Live TV service to the Boeing 787-10, Boeing 737-8, as well as selected Airbus A350 and Boeing 777-300ER aircraft.

The service features three major news channels, BBC World News, CNN, and CNBC, as well as sporting channel, Sport 24. In December 2022, customers were treated to the live broadcast of FIFA World Cup Qatar 2022™ games while in the air.

The introduction of Live TV service complements over 1,900 in-flight entertainment options already available on *KrisWorld*, SIA's in-flight entertainment system. This further enhances the travel experience for all customers.

ENHANCEMENTS TO IN-FLIGHT WI-FI OFFERINGS

Since February 2023, all Business Class customers and PPS Club members could enjoy complimentary unlimited in-flight Wi-Fi on their flights. This makes SIA 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.

KrisFlyer members travelling in Premium Economy Class can enjoy free three-hour Wi-Fi plans, while members in Economy Class receive complimentary two-hour Wi-Fi plans. Customers who are not *KrisFlyer* members, or members who may have consumed their complimentary plans, are still able to gain access to the Internet through SIA's new attractive and simplified Wi-Fi price plans. From 1 July 2023, *KrisFlyer* members

will also enjoy free unlimited Wi-Fi in our Premium Economy and Economy cabins. With this enhancement, SIA is now one of the few carriers offering this service across all cabin classes.

EXPANDING IN-FLIGHT E-SHOPPING

SIA's *KrisShop* e-commerce platform, the world's first in-flight e-shopping experience that was launched in June 2021, is now available on *KrisWorld*. 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.

Customers can enjoy duty-free prices on orders that are delivered to their next Singapore Airlines flight, or choose to have their purchases sent directly to their homes. The service is currently available on selected Airbus A350 aircraft, and will be progressively rolled out to other aircraft across the SIA network.

In-flight Services

PRODUCT LEADERSHIP

Kyo-Kaiseki Gets a Makeover



Singapore Airlines refreshed its popular Kyo-Kaiseki menu and serviceware in January 2023. A traditional Japanese fine dining experience by renowned Kaiseki chef Yoshihiro Murata, a member of SIA's International Culinary Panel and the owner of the three-Michelin-starred Kikunoi Restaurant in Kyoto, Kyo-Kaiseki is offered exclusively to SIA's First Class customers travelling between Singapore and Japan, as well as from Tokyo and Los Angeles.

Since its introduction in 1999, Kyo-Kaiseki has been a favourite choice among SIA's First Class customers, offering a unique culinary experience with menus that change with the seasons.

SIA started refining the Kyo-Kaiseki meal service before the pandemic and conducted two rounds of focus group discussions with customers residing in Japan. The menu has since been refreshed, after taking customers' feedback and evolving palates into consideration.

To complement the culinary experience, a new range of serviceware was created in collaboration with Narumi, a well-known Japanese serviceware brand. It features designs and details used in traditional Japanese crockery, ensuring an authentic Kyo-Kaiseki experience for customers.

Guest Appearances by World-class Chefs

SIA had the privilege of collaborating with two internationally renowned chefs, Heiko Nieder and Johann Lafer, to curate dishes available on board selected flights from Zurich and Frankfurt to Singapore.

This marks the first collaboration between SIA and Michelin-starred chef Nieder, who serves as the Chef Fine Dining and Culinary Director of the Swiss five-star hotel, Dolder Grand. Chef Nieder helped to create innovative menus for SIA's First Class and Business Class customers, with the dishes available on board since July 2022.

Returning as a partner is Chef Lafer, who is well-known for creating traditional dishes inspired by German-speaking countries. The new menu featuring Chef Lafer's signature dishes such as slow-poached and lightly-marinated Maine lobster, accompanied by fennel salad and apricot-tomato compote, slow-braised short rib with mango chili salsa verde, served with fine beans and marinated green olives have been available on board since June 2022.

Going Green with Seafood

As part of its Farm to Plane initiative, SIA serves sustainably sourced trout from Hudson Valley Fisheries on flights departing from New York. This is part of a broader effort to source ingredients sustainably from establishments located closer to our catering facilities. By reducing the time taken to transport these ingredients, customers are provided with the freshest ingredients for their meals.



Beach Road Prawn Noodles



Rumah Makan Minang

Sourcing from a nearby farm also makes transporting the fish more environmentally friendly compared to shipping them from countries with large fishing operations. Hudson Valley Fisheries shares SIA's commitment to sustainability, as it uses all-natural feed for their fish, and reuses 95% of the water required for its farming process.

Cellars in the Sky Awards 2022

SIA has been awarded the highly coveted *Best Overall Cellar* award for the second consecutive year, making it the fourth time receiving this prestigious accolade. In total, SIA was recognised with 11 awards, including gold medals for *Best Overall Cellar*, *Best Business Class Cellar*, *Best Business Class Red Wine*, *Best Presented First Class Wine List*, and *Best Presented Business Class Wine List*.

SIA is proud to be the first carrier in the world to have a dedicated wine panel responsible for selecting wines served on board SIA flights. SIA's wine experts include Jeannie Cho Lee from Hong Kong, Michael Hill Smith from Australia, and Oz Clarke from the United Kingdom. Together, they taste over 1,000 wines, as well as champagnes and ports annually, meticulously assessing and curating the perfect selection for each cabin class.

Managing In-flight Supplies During the Uptick in Global Air Travel

To ensure that operations remained seamless when borders reopened in April and travel swiftly resumed, SIA worked hand-in-hand with partners in its overseas stations that had stopped operations during the pandemic. SIA also worked closely with its suppliers to ensure that in-flight supplies were available and restocked for customers when flight services resumed.

UPCYCLING RAMPS UP

The Upcycling Project has gained traction since its launch in late 2021. A physical pop-up store at Design Orchard was set up in 2022, providing an opportunity for SIA fans and aviation enthusiasts to view the iconic upcycled pieces reimaged by various retail partners. Close to 25,000 visitors visited the pop-up from 6 July to 18 August 2022 and got to experience the products first-hand.

The Upcycling Project launched its limited-edition SIA-designed aviation tags during the event. These products, made from metal fuselage harvested from several retired SIA aircraft, were extremely popular.



The project also unveiled a range of bags made from retired yellow life vests. The Carrier Collection designed by SIA features four bags and a whistle charm, and was available for sale at Design Orchard Singapore, and continues to be available online at KrisShop.



KrisFlyer Rewards Programme



KrisFlyer, the SIA Group's lifestyle rewards programme, demonstrated remarkable growth and resilience throughout the financial year, propelled by a robust recovery in the demand for air travel. The programme's global membership base expanded significantly in FY2022/23 to reach over 6.7 million members as of 31 March 2023, up 29.3% from the previous year.

KrisFlyer redemption revenue exceeded \$900 million in FY2022/23. This was an increase of 30% from FY2019/20, with more than 80% of the revenue generated from over 1,300 KrisFlyer brand partners worldwide. Members also accrued and redeemed record levels of miles in this financial year.

In January 2022, SIA extended all KrisFlyer Elite Silver, Elite Gold, and PPS Club membership statuses ending between March 2022 and February 2023 for an additional year, supporting members who have been unable to fly before due to the pandemic. The expiry dates of KrisFlyer miles between January and June 2023 were granted a final six-months extension as well. To offer members greater flexibility in utilising their rewards, PPS Rewards, and KrisFlyer Milestone Rewards originally expiring in 2022 and 2023 were automatically extended until 31 December 2023.

KrisFlyer continued to expand the options available for members to earn and use their miles by growing and enhancing the number of partnerships and merchants under its umbrella. In January 2023, KrisFlyer's partnership with Marriott Bonvoy expanded into a two-way conversion programme, allowing members to seamlessly convert miles and points between the two rewards programmes.

The team also strengthened its partnerships in key regional markets. SIA signed a Memorandum of Understanding with Singapore bank UOB in October 2022 to launch a KrisFlyer co-branded credit card for customers in Thailand. The HSBC Star Alliance credit card was also rolled out in Australia, while the EastWest Bank co-brand card was re-launched in the Philippines, giving KrisFlyer members in these markets more avenues to earn miles.

PURSUING PASSIONS WITH KRISFLYER

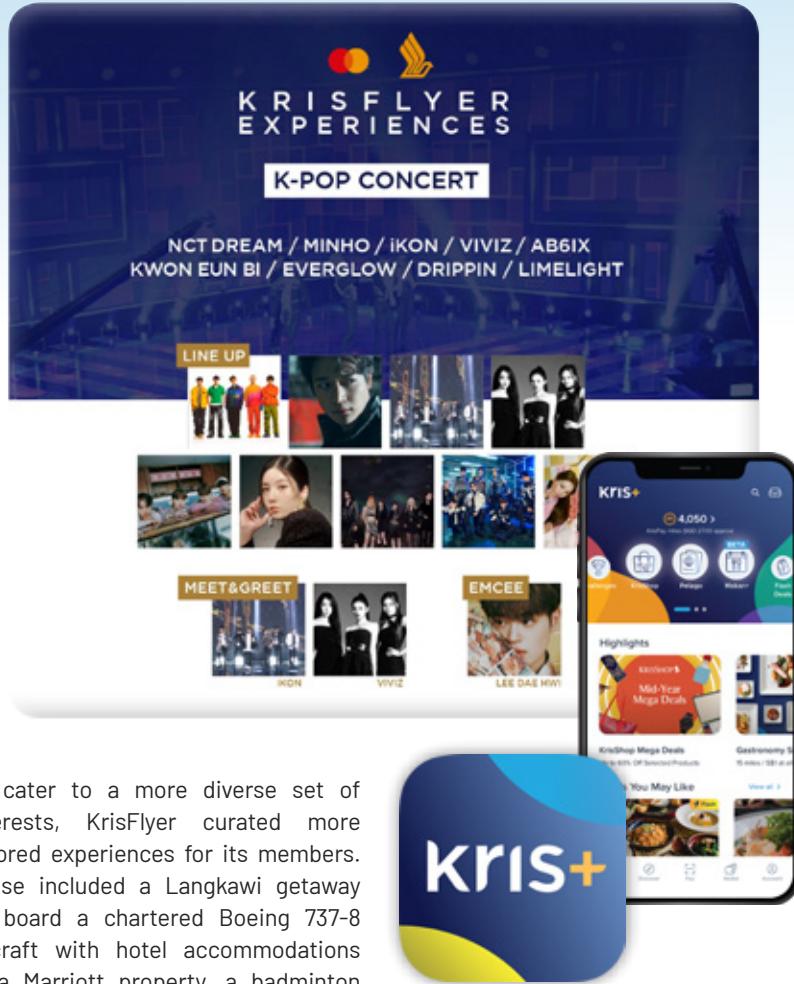
KrisFlyer unveiled a new brand campaign in June 2022, and this served to remind members that they can use their miles to pursue their passions beyond travel, whether it is shopping and dining, or indulging in new experiences with SIA, Scoot, Kris+, KrisShop, or Pelago.

More than
6.7 million
KrisFlyer members globally

Over
980
Kris+ partners with
4,200
outlets across
SIA's global network



Members were also offered redemption campaigns throughout the year to maximise the value of their miles. These included monthly KrisFlyer Spontaneous Escapes promotions for discounted travel, monthly KrisShop Spectacular Deals promotions, and discounts off full-miles redemption for themed activities with Pelago.



To cater to a more diverse set of interests, KrisFlyer curated more tailored experiences for its members. These included a Langkawi getaway on board a chartered Boeing 737-8 aircraft with hotel accommodations at a Marriott property, a badminton clinic with Singapore's premier shuttler Loh Kean Yew, as well as a concert in Seoul featuring leading K-pop artists. In line with SIA's focus on promoting sustainable travel, KrisFlyer members can also redeem their miles to purchase carbon offsets for their flights.

ROBUST GROWTH IN TRANSACTIONS

The growth of member transactions across KrisShop, Kris+, KrisFlyer Experiences, and Pelago was another notable achievement during the year, registering a 163% increase year-on-year. The sharp rise in activity was driven by the broader range of products, services, and experiences being made available to KrisFlyer members.

A series of strategic campaigns was also introduced to engage members, including a referral campaign that

allows members to share KrisFlyer benefits with their friends and family. There were also targeted gamification campaigns for members to earn bonus miles, as well as destination-led campaigns on KrisFlyer's social media platforms to promote trips to Australia, Japan, and Singapore.

ENHANCED FEATURES AND BENEFITS

KrisFlyer members have been able to enjoy enhanced in-flight Wi-Fi offerings since February 2023. PPS Club members and its supplementary cardholders now receive unlimited complimentary in-flight Wi-Fi access on all SIA Wi-Fi-enabled aircraft, regardless of the cabin class they are travelling in. KrisFlyer members travelling in Premium Economy Class and Economy Class can also take advantage of complimentary three-hour and two-hour surf sessions

respectively. From 1 July 2023, complimentary unlimited Wi-Fi will be extended to all KrisFlyer members travelling in Premium Economy Class and Economy Class. Non-KrisFlyer members have the option to enrol as members on board to enjoy these privileges.

Kris+, the rewards mobile application of the SIA Group, continued to introduce more ways for KrisFlyer members to earn miles through their daily spend, or to offset their everyday purchases in Singapore. As of 31 March 2023, Kris+ featured 980 partners with 4,200 outlets, offering privileges in dining, retail, activities, travel, and transportation in Singapore and 17 other key markets, including Australia, India, Indonesia, and South Korea. During the year, popular brands and merchants, such as Adidas, Famous Amos, Paradise Group, and Tung Lok Group, boarded the Kris+ platform.

A new feature was also launched, enabling members to earn or redeem their miles for ComfortDelGro taxi rides booked through the Kris+ app. Travellers to Singapore are also able to use their miles via Kris+ to offset purchases at over 100 outlets at Singapore Changi Airport and Jewel.

Reflecting the confidence that customers have in the KrisFlyer programme, the programme won all six accolades it was nominated for at the 2022 Freddie Awards (Middle East and Asia/Oceania region). These included wins for Best Loyalty Credit Card (American Express Singapore Airlines KrisFlyer Credit Card), Best Promotion (Earn Status Credits Without Flying), Best Customer Service, Best Redemption Ability, Best Elite Airline Programme, and Programme of the Year. Looking ahead, KrisFlyer will continue to review and enhance its offerings, as it seeks to bring even greater value to members.

People Development

Through crisis and recovery, the SIA Group remained committed to provide a purposeful employee experience and continued to invest in digital technologies, as well as the training and development of its employees.

ATTRACTING AND DEVELOPING TALENT

SIA intensified its hiring efforts during FY2022/23 to support its growing network operations. SIA resumed recruiting cabin crew and pilots in February and September 2022, respectively. Beyond Singapore, cabin crew recruitment drives were also held in China, India, Indonesia, Japan, Malaysia, South Korea, Taiwan, and Thailand.

SIA prioritised the re-hiring of cabin crew and pilots that were released during the pandemic. To attract new talent, SIA participated in several career fairs and talks, and restarted its internship programme to provide learning opportunities for students aspiring to join the aviation sector.

SIA is committed to building the long-term careers of its people by providing them with various opportunities within the Group. To facilitate the development of its talents, a Group Mobility Framework with policies covering Skills Exchange, High Potential Development, Open Market Roles, and Shared Services was established.

UPLIFT

SIA believes that the continuous upskilling of its staff is key to remaining competitive and resilient, and this did not wane during the pandemic. SIA focused on developing agile mindsets among its people, equipping them with the relevant skills critical for a future-ready workforce.

UPLIFT, a two-year holistic upskilling plan for all staff, was launched in April 2021 to help achieve this goal. The initiative featured courses focused on building five key capabilities in digital and change management: Digital and Innovation, Solutioning Mindset, Resilience and Change Management, Leadership and Collaborations, and Value-outcome Application. As of 31 March 2023, SIA attained 100% staff completion of the UPLIFT learning plan worldwide.

Learning and Innovation for Everyone

The third edition of the SIA Group's biennial learning festival – Learning and Innovation For Everyone (LIFE) – was held in March 2023. This year's festival aimed to elevate staff awareness and engage them on the importance of sustainability, sustainability trends, and the Group's efforts to achieve its sustainability goals.

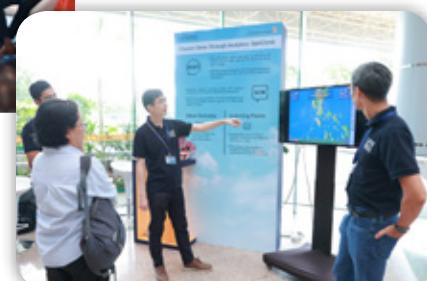
Attended by around 2,700 staff from across the SIA Group, the event featured over 50 activities, including talks by industry leaders, workshops and showcases, and management conversations on sustainability.

SkillsFuture Fellowships and Employer Awards



In 2022, SIA was honoured with the Gold award at the SkillsFuture Fellowships and Employer Awards – the highest skills award for employers in Singapore. SIA also received a special mention of Resilient Employer at the event.

The SkillsFuture Employer Awards recognise companies for their workplace learning capabilities, including their efforts to drive skills-based training programmes, and implement progressive Human Resources (HR) practices that focus on skills acquisition. SIA's CEO, Mr Goh Choon Phong, received the accolade from the President of Singapore, Mdm Halimah Yacob, at the awards ceremony held on 22 November 2022.



ENGAGING OUR PEOPLE



With the easing of pandemic-related restrictions in 2022, engaging staff and recognising their contributions were key focuses for the year. For instance, various in-person staff appreciation events resumed after a two-year hiatus.

For the first time, SIA also held five group-wide 25 Years' Long Service and Retirement award ceremonies to celebrate the loyalty and dedication of its staff attaining these significant milestones. In addition, some 600 staff

across the Group gathered for the SIA Group Road Run on 10 September 2022 at Bedok Reservoir Park to bond with colleagues while keeping fit.

To promote holistic employee well-being, a Wellness Bazaar was organised for Singapore-based staff in March 2023. The event provided complimentary basic health screenings to over 750 staff, and also featured wellness talks on eye and spine health. Regular mental wellness talks were also introduced for staff.

IMPROVING SYSTEMS AND PROCESSES

myHR

SIA started its multi-year journey towards the implementation of a new global Human Resources system, myHR, to elevate the SIA employee experience, enable seamless access to resources and facilitate talent development. Four new myHR new modules – Employee Central, Expense Management, Shift Management, and Manpower Planning – were launched in May 2022 in Singapore and the South West Pacific region to deliver value to SIA employees globally.

Joey Bot

SIA strives to leverage technology to reduce cycle time and throughput time in its employee service delivery. SIA's HR chatbot, Joey, was launched on 15 April 2021, and was developed entirely in-house that adopts Smart Search technology that can assist employees with HR-related queries. In FY2022/23, Joey was further enhanced through integration with Google Dialogflow, making it more interactive.

The introduction of Joey enabled a single point of contact for all HR-related matters. A case management tool was also developed for all employee queries to be managed, tracked, and conveyed to Joey more efficiently.

MAKING A POSITIVE IMPACT ON OUR COMMUNITY

SIA remained steadfast in its efforts to give back to the community. In FY2022/23, SIA staff volunteered in some 375 activities. All new joiners took part in one of these activities as part of their onboarding programme. In all, 2,080 staff participated in activities such as packing of essential packs, meal delivery, study buddies and home improvement projects to support low-income and underprivileged communities in Singapore.

Singapore Airlines Academy

In FY2022/23, the Singapore Airlines Academy (SAA) continued its mission to offer training programmes to businesses and external organisations in the areas of service excellence, operational excellence, and digital innovation. The Academy continued to seize opportunities to deepen partnerships and expand product offerings.

Since its launch in 2020, the Academy has trained over 2,300 learners from over 100 clients in the healthcare, finance, retail, transportation, and hospitality sectors. Today, the academy regularly receives high ratings for its performance, enabling it to win new customers globally.

The Academy's pool of over 50 trainers consists of seasoned practitioners in their respective fields, offering the SIA standard in training content and delivery. All SAA trainers also have the opportunity to learn from others and enhance their own capabilities. The Academy is a testament to SIA employees' agility and resourcefulness.

2,300
learners from over
100 clients



Pelago

Pelago, the travel experience platform from Singapore Airlines, aims to connect customers to global and local cultures through unique experiences around the world. As of 31 March 2023, Pelago boasts over 2,300 experiences across 73 global destinations, including the Asia-Pacific region, Europe, and the United States of America.

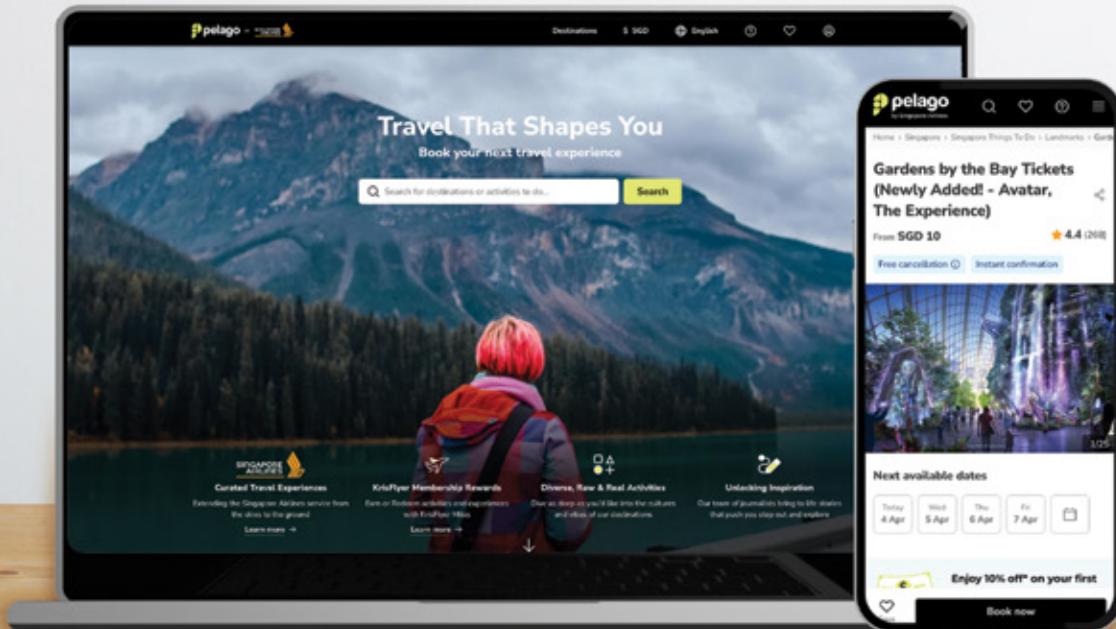
In FY2022/23, Pelago experienced growth in bookings as travel demand surged following the easing of Covid-19 restrictions. Pelago was able to leverage SIA and Scoot's channels to expand its customer base significantly. The platform's partnership with major financial services providers including American Express, DBS, UOB, and Visa, as well as telco Singtel, was another contributor to its growth.

In response to the rapid rise in bookings, Pelago expanded its portfolio of offerings to encompass a wider range of activities in key travel destinations such as Indonesia and Japan. The platform also offers KrisFlyer members an additional avenue to earn and redeem KrisFlyer miles with every activity booked.

To enhance the user experience, Pelago introduced over 100 new features in its website throughout the year. These included the introduction of six local languages such as Bahasa Indonesia, Chinese, Japanese, Korean, Thai, and Vietnamese, as well as new payment methods such as Apple Pay and Google Pay. Other enhancements included the integration of third-party API partners like GlobalTix and BeMyGuest.

Over
2,300
experiences across
73
global destinations

Pelago has also invested in self-service and automation tools as it seeks to deliver a seamless customer experience. These efforts have paid off, with Pelago consistently scoring above 90% on its Customer Satisfaction Score.



KrisShop

26%
repurchase
rate
among KrisShoppers

57.8% of
sales
contributed by
KrisShoppers

KrisShopper in
29 countries

115%
increase
in BNPL payments



KrisShop, SIA's omni-channel retailer, focused on strengthening ties with its partners and customers in FY2022/23. In April 2022, KrisShop launched KrisShopper, its loyalty programme that allows members to enjoy exclusive access to shopping privileges, earn more KrisFlyer miles, and get priority on new arrivals. Each membership tier – Member, Insider, Icon, and Ambassador – offers benefits ranging from earning miles per dollar spend, to discounts off regular-priced items.

Since its launch, KrisShopper members have a repurchase rate of 26%, compared to 11% among non-KrisShoppers. The programme also witnessed a robust customer redemption rate, with 5% of KrisShopper members claiming their rewards. This activity resulted in KrisShoppers contributing to 57.8% of KrisShop's overall sales. As of 31 March 2023, KrisShop's membership base spans 29 countries, at over 150,000 members, with a large proportion of them from Singapore, Australia, Indonesia, India, and the United States of America.

To increase the number of payment methods available to customers, KrisShop forged partnerships with American Express, DBS, OCBC, and more Buy Now Pay Later (BNPL) channels. The expansion in payment methods saw BNPL payments registering a 115% increase year-on-year. Shoppers who favoured paying by instalments were able to earn more KrisFlyer miles through exclusive deals with BNPL providers Atome, Pace, and ShopBack.



As the demand for air travel grew in FY2022/23, KrisShop gradually resumed its in-flight sales from May 2022 for flight services to the South West Pacific, Europe, and the United States. In September 2022, in-flight sales on board flights to Japan, South East Asia, as well as India, the West Asia region, and Africa also resumed. As KrisShop expanded its product range, the re-launch of KrisShop's quarterly in-flight sales catalogue played a pivotal role in heightening customer awareness and driving sales.

The Batik Label, KrisShop's signature line, continued to grow in FY2022/23. In August 2022, KrisShop partnered with luxury watch brand Breitling to introduce two limited edition timepieces showcasing SIA's signature batik motif. The Batik Label has also joined hands with renowned brands such as Klean Kanteen, Moleskine, and Sennheiser, further solidifying its position in the market.

Airbus Asia Training Centre

The Airbus Asia Training Centre (AATC) is a joint venture between Airbus and SIA that delivers a comprehensive range of flight crew training services. These include pilot type-rating, cross crew qualification, recurrent training courses, as well as instructor qualifications. 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 part of Airbus' global network of pilot training centres, which feature 15 sites globally, including China, India, and the United States of America. Notably, it is recognised as an Airbus Centre for Training Excellence, offering the highest quality of training and customer experience.

With 10 full flight simulators (FFS) in a 10,000-square metre facility, AATC is the largest flight crew training centre in Airbus' network. The centre is home to two Airbus A320, two Airbus A330, one Airbus A380, and four Airbus A350 FFS, as well as an ATR 72-600 FFS.

AATC also works closely with the Singapore Flying College to support the Multi-crew Pilot Licence programme for SIA and Scoot sponsored cadets, which prepares the Group's pilots for the operational environment on an Airbus aircraft.

SUPPORTING TRAINING NEEDS

As an essential training service provider to SIA and Scoot, AATC remained open 24 hours a day, 365 days a year, throughout the pandemic. This not only supported the SIA and Scoot pilots to maintain their competencies and keep their skills current, but also enabled pilots based overseas to enter Singapore and receive training even while border restrictions were in place. AATC also worked with the Civil Aviation Authority of Singapore (CAAS) to deliver re-activation training to furloughed pilots at an affordable rate. The centre was recognised as an approved CAAS examination site for Airbus Type Rating courses.

With the subsequent easing of border measures, training activities started to pick up progressively in FY2022/23 as airlines ramped up their operations. As such, AATC's FFS utilisation rates increased by 30% as compared to the previous year, with an annual reliability rate of over 99%. The centre was also recognised with an exceptional qualification by the European Union Aviation Safety Agency (EASA) during its annual audit, and was invited to be part of the Extended Evaluation Programme, which allows AATC to extend recurrent evaluations by EASA up to 36 months. This represents AATC's robust monitoring system and self-evaluation process, resulting in cost savings through a reduced frequency of physical auditor presence required.



The Airbus Asia Training Centre Family



Airbus A350 Inauguration: Cementing AATC as a centre of excellence for A350 pilot training

Airbus Asia Training Centre (Continued)



EXPANDING NETWORK AND CAPABILITIES

AATC delivered training to 15 new airline customers in FY2022/23. At the same time, it continued to invest and expand its capabilities with state-of-the-art training tools and technologies. In February 2022, the centre inaugurated its fourth Airbus A350 flight simulator, cementing its position as the world's largest training operator of the A350 FFS. Plans are also in place to upgrade AATC's suite of full flight simulators, as well as replace or upgrade ageing simulators.

Airbus A350 Airbus Pilot Transition Trainer

GIVING BACK TO THE COMMUNITY

Beyond its core operations, AATC remains committed to giving back to the community. In 2022, it partnered with Make-A-Wish Singapore to provide children with critical medical conditions an opportunity to fly in a full flight simulator. AATC also collaborated with Women-In-Aviation in Project Give Flight, an initiative that engages young women from vulnerable or underprivileged communities. Participants were able to hear from inspiring female pilots and executives, and experience being a pilots-in-command in an FFS. Since its inception, Project Give Flight has benefitted 36 participants from various non-profit organisations in Singapore.



Project Make-A-Wish: Captain Patric Fan with five-year-old Jansen

Airbus A350 Full Flight Simulator



Sustainability

Amidst the robust recovery of air travel in 2022, SIA remained committed to its sustainability goals and continued to put sustainability at the heart of its journey. In FY2022/23, the Group advanced its sustainability agenda to generate long-term value for the company, while doing its part to address climate change. In January 2023, SIA reinforced this commitment through the appointment of its first Chief Sustainability Officer, Ms Lee Wen Fen, to drive the Group's strategy moving forward.

Since announcing its goal of achieving net zero carbon emissions by 2050, SIA continues to leverage multiple levers, making incremental progress in its decarbonisation journey. These included 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.



MAINTAINING A YOUNG AND MODERN FLEET

Operating a young fleet of new generation aircraft is the most effective and direct way for airlines to reduce their carbon emissions. The SIA Group operates one of the youngest fleets in the world with an average age of six years and nine months⁴, compared to the global average age of more than 15 years⁵. The SIA Group fleet is primarily made up of the latest aircraft models, such as the Airbus A350 and A320 Family, as well as the Boeing 787 Family and 737-8s. These models are around 25% more fuel efficient than the older aircraft that they replace on similar missions.

SIA will also take delivery of seven new generation wide-body Airbus A350F freighters from the fourth quarter of 2025 to replace its existing Boeing 747-400F freighters.

The A350F employs advanced aerodynamics and fuel efficiency technology to maximise operational efficiency in the areas of fuel burn, carbon emissions, and economics. It also uses more than 70% advanced materials, such as composites, titanium, and modern aluminium alloys, to create a lighter and more cost-efficient aircraft, while increasing resistance to corrosion and reducing maintenance requirements. The A350F is expected to use up to 40% less fuel than Boeing 747-400Fs, and reduce SIA's carbon emissions by an estimated 400,000 tonnes annually.

ADOPTION OF SUSTAINABLE AVIATION FUEL

SAF is a critical lever to achieve SIA's long-term decarbonisation goals. SIA recognises that collaboration with governments and partners in the aviation eco-system is essential

to accelerate the development, production, and adoption of SAF in the airline industry.

In November 2021, SIA embarked on a pilot initiative with the Civil Aviation Authority of Singapore (CAAS), Temasek, Changi Airport Group (CAG), and other stakeholders, to study and operationalise the deployment of SAF in Singapore.

As part of the pilot, the Group uplifted blended SAF onto SIA and Scoot flights departing from Singapore Changi Airport in July 2022, the first time SAF has been used on passenger flights out of Singapore. SIA also launched the sale of 1,000 SAF credits generated from the uplifted SAF to corporate customers and freight forwarders, providing them with an avenue to reduce their carbon footprint while stimulating demand for SAF to support the development of a nascent SAF industry.

⁴ As of 31 March 2023.

⁵ According to the Centre for Aviation (CAPA) data, the industry average fleet age is around 15 years and eight months as at 17 April 2023.

Sustainability (Continued)

The insights gained from the pilot will be used to explore opportunities to scale up the SIA Group's SAF deployment to meet its net zero emissions goal by 2050.

IMPROVING OPERATIONAL EFFICIENCIES

SIA continued to pursue efforts to enhance fuel efficiency by improving operational procedures across its flight and ground operations, as well as through engineering solutions.

Among other initiatives, the Group also invested in airframe and engine improvement packages that reduce drag and optimise performance. SIA 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 our carbon footprint.

CARBON OFFSETTING

Beyond reducing direct emissions, carbon offsetting plays a complementary role in removing residual emissions.

The SIA Group participates in the International Civil Aviation Organization's (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). This is the first global market-based measure to offset carbon dioxide emissions that cannot be reduced through technological and operational improvements or SAF. As such, CORSIA plays an integral role in helping the aviation industry decarbonise in a cost-efficient manner. Singapore is voluntarily participating in CORSIA between 2021 and 2036, before the mandatory implementation of the scheme for all airlines from 2027.



The SIA Group has been voluntarily participating in this scheme since 2019.

SIA also encourages its customers to participate in the SIA Group's Voluntary Carbon Offset Programme. Launched in June 2021, the programme provides an opportunity for customers to offset their carbon emissions from their flights. Their contributions support verified projects that protect rainforests, promote renewable solar energy, and empower developing communities.

INTERNATIONAL ADVISORY PANEL FOR SUSTAINABLE AIR HUB

The SIA Group has been actively participating in International Advisory Panel (IAP) discussions convened by CAAS to develop a Sustainable Air Hub Blueprint for Singapore during the year in review. The IAP has recommended 15 initiatives across the three key domains of airport, airline, and air traffic management to be included in the blueprint.

SIA will continue to work closely with ecosystem partners to develop practical pathways towards greener air travel that is viable and accessible to all. These include initiatives to overcome the inherent challenges of adopting SAF, such as high production costs, and limited supply of feedstock.

RESOURCE CONSERVATION

Energy and Water Conservation

SIA remains dedicated to conserving the planet's finite resources by finding ways to reduce waste across its operations, both on the ground and in the air. Various water conservation initiatives are pursued, from harvesting and recycling of rainwater for non-potable uses, to the progressive replacement of sanitary wares like flush valves and water taps with sensor-based water-saving models. In recognition of its efforts, the Group attained the PUB Water Efficiency Building Certificates for four SIA-owned buildings in FY2022/23.

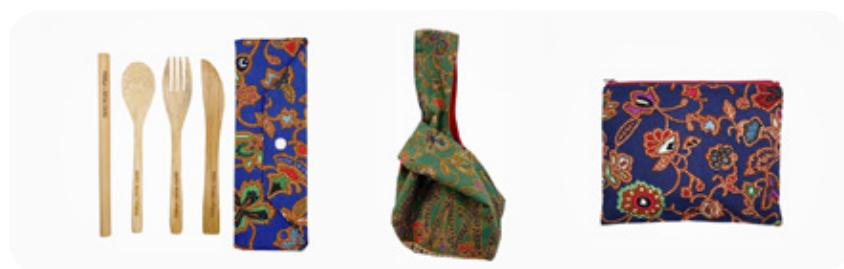
SIA is also scaling up the adoption of renewable energy. The Group signed a new contract with Sembcorp Solar to install another 1,300 solar panels on the roof of the SIA Supplies Centre, on top of the existing panels on top of SIA's office buildings across Singapore. The installation of the additional solar panels will be commissioned in June 2023, and has the capability to generate 900,000 kWh of electricity annually, offsetting 375 tonnes of SIA's Scope 2 emissions.

Waste Management

To improve waste management, SIA has been pursuing initiatives that support the 5Rs (Refuse, Reduce, Reuse, Recycle, and Repurpose). Since November 2022, SIA customers are given the option to skip meals by indicating their preference before their flights through SIA's website or mobile app. This option, along with the pre-ordering of meals, allows for more accurate uplifting of meals and reduces food waste. Work processes and hard copy collaterals are also being progressively digitised.



In another step towards reducing its environmental impact, SIA offers Economy Class meals in lighter, renewable materials on flights under three and a half hours. This lowers fuel burn and reduces the amount of single-use plastics on the meal tray. Meanwhile, Scoot has successfully replaced plastic drink stirrers with wooden stirrers, and will progressively phase out plastic bottled water for pre-ordered meals, replacing them with tetrapack water.



SIA has also expanded The Upcycling Project to include the collection and upcycling of unused SIA cabin crew uniform. Launched in 2021, the project provides retired aircraft parts and materials to various Singapore-based organisations and selected global retail brands, which they repurpose and upcycle into exclusive lifestyle and fashion products.

CREATING A POSITIVE IMPACT ON SOCIETY

The SIA Group strives to create positive impact in the communities it serves by using its business as a force for good. Since 2010, SIA has been a partner of the Harapan Rainforest Initiative in Sumatra, Indonesia. The initiative supports biodiversity monitoring efforts by identifying species of concern in the ecosystem restoration area, and providing information on threats faced by these species. The initiative also improves the livelihood of indigenous communities in the area through various development projects.

SIA continued to give back to communities, and support areas of sports, arts, and environmental stewardship. This is carried out through staff volunteerism, corporate donations, as well as sponsorships to our beneficiaries.

As a global airline, SIA works with charities around the world to support local communities in need. These efforts include supporting disadvantaged children, persons with disabilities, and the elderly. SIA also actively facilitates humanitarian relief efforts, such as facilitating the transport of a search and rescue team from Singapore and the delivery of disaster relief supplies to quake-affected zones in Turkey and Syria through its flights.

More details of SIA's sustainability efforts can be found in the SIA FY2022/23 Sustainability Report.



SIA Engineering Company



BUSINESS UPDATES

SIA Engineering Company (SIAEC) experienced a strong recovery in its activities in FY2022/23, as air travel around the world resumed with the lifting of border restrictions during the year. The number of flights handled by its Line Maintenance unit in Singapore recovered to about 79% of pre-pandemic volume in March 2023, an improvement of 40.6 percentage points from a year ago. During the year, the number of flights handled by SIAEC was about 65% of pre-pandemic volume. Similarly, SIAEC's overseas Line Maintenance stations saw their volumes grow in line with the rebound in flights globally.

The robust recovery led to higher demand for maintenance, repair, and overhaul (MRO) services. Consequently, all SIAEC business units and its portfolio of companies registered revenue growth as business volume increased.

At SIAEC Base Maintenance, the successful adoption of Lean practices yielded additional capacity, enabling the unit to take advantage of the increase in demand with new customer contracts secured during the year. One example is the extension of its maintenance agreement with Hawaiian Airlines.

The five-year agreement announced in October 2022 covers additional airframe maintenance checks for the airline's Airbus A330-200 fleet. SIAEC performed a total of 568 light checks and 94 heavy checks, compared to 348 light checks and 93 heavy checks a year ago. There were more checks with heavier work content.

Inductions at SIAEC's Engine and Component shops also trended up during the year. In particular, inductions at its Engine Services unit have been increasing progressively since the completion of the first CFM LEAP-1B quick-turn delivery early in FY2022/23, followed by the LEAP-1B.

The Component Services unit also secured a new customer, MYAirline, a low-cost airline based in Malaysia, under its Inventory Technical Management programme. The programme spans 10 years, with an option to extend for another two years. SIAEC will provide comprehensive component support coverage for aircraft and engine spares on-site consignment, pooling support services, as well as repair and overhaul support services for the airline's fleet of Airbus A320 aircraft. With the addition of MYAirline, SIAEC manages 109 aircraft from nine customers under its Inventory Technical Management programme.

SIAEC's portfolio of joint venture and associated companies rebounded in line with the industry's recovery. While some are experiencing supply chain issues due to parts shortages leading to longer repair cycles, these issues have so far been manageable. SIAEC continues to monitor and work with Original Equipment Manufacturers (OEM) partners to mitigate the impact of any disruption.

Recruitment efforts during the year, in anticipation of a sustained recovery, enabled SIAEC to scale up operations to meet rising demand and ensure operational resilience. Despite the tight labour market, SIAEC will continue with its recruitment efforts to keep pace with the flight recovery at Singapore Changi Airport.

For FY2022/23, the SIAEC Group posted a revenue of \$796 million, an increase of 40.6% year-on-year. The Group recorded a net profit of \$66.4 million despite the reduction in wage support from the Singapore Government. Excluding the impact of the prior year's one-time tax write-back of tax provisions by certain associated companies and the lower wage support, the SIAEC Group's net profit improved by \$102.6 million year-on-year. The Board of SIAEC recommended a final dividend of 5.5 cents per share, the first since the onset of the pandemic.

TRANSFORMATION AND INNOVATION

SIAEC made good progress with its transformation efforts in FY2022/23, which reaped benefits through the scaling up of Lean initiatives, advancing digitalisation and technology, and sustaining an innovation culture. To sustain growth beyond the current recovery, SIAEC sought to innovate through new capabilities and services, enhance operational excellence, and increase customer engagement.

The scaling up of Lean initiatives reduced aircraft check turnaround time and improved productivity. The additional capacity boosted SIAEC's competitiveness, enabling it to capture more long-term customers and earn recognition from the aviation industry. SIAEC was awarded the *Asia-Pacific MRO of the Year* award by Airline Economics magazine for the second consecutive year, and the *Asia MRO of the Year – Airframe* award by Aviation Week Network in 2022.

SIAEC's various transformation efforts created value for its customers as well as its staff. Improvements in check turnaround time and productivity increased aircraft availability for its airline customers, while digital collaborations to enable integrated maintenance task planning also saved time for them. SIAEC has also been able to offer broader MRO solutions to support customers by expanding its technical capabilities and developing new technology-enabled products and services. For staff, work has been made safer and less strenuous with the introduction of customised automation and assistive tooling.

Furthermore, enhanced Lean processes and digital operating systems led to improvements in operational efficiency and workforce mobility. More upskilling and new career development opportunities were also created for staff as job content and roles changes.

To facilitate data-driven decision making, SIAEC has improved its staff's access to data. The Company has also cultivated a strong and active innovation culture, allowing it to develop ground-up initiatives from employees, and encourage experimentation in artificial intelligence, machine vision and optimisation tools. Collectively, these efforts have strengthened SIAEC's competitiveness and organisational capabilities, enabling it to emerge stronger to capitalise on rising demand for MRO work, and capture growth opportunities.

GEARING UP FOR GROWTH

Over the past few years, SIAEC has built on its multi-faceted strategy to invest in new capabilities and reshape its business, with a view to drive long-term sustainable growth beyond the post-pandemic recovery. Under this strategy, SIAEC sought to build new capabilities and services for new generation aircraft through its own shops, broaden the scope and capabilities of its current joint venture companies through new acquisitions and partnerships, and expand its geographical presence to secure new markets and customers. This strategy, including the recent establishment of the Engine Services

Division and Component Services Division, positions SIAEC to capture opportunities from the aircraft MRO industry's recovery.

At its Engine Services unit, SIAEC expanded its Rolls-Royce Trent On-Wing Services engine repair capabilities to include boroblending and fan blade reprofiling. It continues to work closely with partners to ramp up capacity and expand the capabilities of its Aircraft Engine Services facility. Its Engine Test Facility was also upgraded to include LEAP-1A engine test.

In addition to its current network of six hangars in Singapore and three hangars in Clark, the Philippines, SIAEC plans to expand its regional base maintenance network to Subang, Malaysia. A non-binding Memorandum of Understanding (MoU) 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. Along with its plans to acquire a stake in POS Aviation Engineering Services, which has line maintenance operations at 10 stations in Malaysia, the growth in Malaysia will complement the capabilities of SIAEC's Singapore hub.



SIA Engineering Company (Continued)

In May 2022, SIAEC acquired a 75% stake in SR Technics Malaysia, which was subsequently renamed as Asia Pacific Aircraft Component Services (APACS). This acquisition expands SIAEC's component repair and overhaul capabilities, creating further opportunities for the growth and innovation of the Component Services. At the same time, additional MRO capability has been added through new agreements, such as the 10-year licensing of repair for Honeywell, 737 and 787 Air Data Inertial Reference Unit component, to be established at APACS.

SIAEC constantly reviews its portfolio of joint ventures for consolidation and focuses on building next generation aircraft capabilities. In August 2022, the Company ceased operations at its 49%-owned fleet management services joint venture, Boeing Asia Pacific Aviation Services, by mutual agreement of the shareholders due to challenges arising from the changing business environment.

To drive the growth of third-party customers and business, SIAEC set up a centralised Sales and Commercial unit to enhance customer intimacy, as well as marketing and sales engagement. The new unit will help to diversify SIAEC's customer portfolio, and also strengthen its revenue.

SIAEC signed MoUs in March 2023 with seven Institutes of Higher Learning (IHLs) with the aim of building an agile and future-ready workforce through continuing education and training. The partnership will also help nurture students who are the next generation of talent for the aerospace engineering industry, and foster greater industry-academia collaboration through knowledge exchange and joint projects.

While collaborations with academia in the past were largely confined to the aerospace engineering field, new initiatives under the MoUs will focus on attracting talent from diverse disciplines relevant to the demands of the business. These disciplines include sustainability, digital innovation, maintenance operations planning, continuing airworthiness management, and business development.

SUSTAINABILITY INITIATIVES

As a sustainability-focused MRO services provider, SIAEC continues to support the SIA Group's goal of net zero carbon emissions by 2050. In the medium term, it has committed to reduce 50% of its Scope 1 and 2 carbon emissions (against FY2019/20 levels) by 2030.

SIAEC has invested in energy-efficient equipment and cleaner vehicles, such as the progressive upgrade of air compressors at its hangars and scaling up the adoption of electric tractors. With 18% of its current electricity needs being fulfilled by existing solar panels, there are plans to expand the use of renewable energy with the installation of additional solar panels.

With the recent certification of Hangars 4, 5 and 6, as well as our Engine Test Facility, all SIAEC-owned buildings are now PUB certified Water Efficient Buildings (WEB). SIAEC's efforts to step up its sustainability practices have shown results with improvements in recent sustainability ratings by agencies such as Morningstar Sustainalytics and S&P Global Corporate.



Scoot



Scoot crossed several significant milestones in FY2022/23, as it emerged from the pandemic stronger than ever. Financially, Scoot reported record operating profits and operating revenue for the financial year. There was also a change in leadership, as Leslie Thng stepped into the role of Chief Executive Officer to lead Scoot's next chapter.

With the rapid recovery in air travel in 2022, Scoot was one of the first airlines to reinstate capacity as it sought to capitalise on pent-up consumer demand. This resulted in strong loads and operating performance in the last two quarters of FY2022/23. By the end of 2022, Scoot had reinstated over 80% of its pre-pandemic capacity.

This momentum continued into 2023, with Scoot announcing the gradual resumption of flight services between Singapore and China. Accounting for about one quarter of Scoot's network, the frequency of flights between the two countries will rise to over 50% of its pre-pandemic level by the end of June 2023.



Scoot also launched new routes during the year in review, including to Jeju in South Korea, as well as routes previously served by SilkAir such as Lombok and Makassar in Indonesia. Scoot also introduced non-stop flights to Tokyo, on top of its current one-stop offering to Tokyo via Taipei. In response to the surge in the demand for travel to Japan during the Northern Winter season, Scoot mounted seasonal non-stop flights to Hokkaido from November 2022 to February 2023. As of 31 March 2023, Scoot operated to 58 destinations in 15 countries and territories across Asia-Pacific, the Middle East, and Europe.

To support the growth of its network, Scoot announced that it would add nine new Embraer E190-E2 aircraft to its fleet, with the first aircraft scheduled for delivery in 2024. Scoot will be the first Singapore carrier to operate the 112-seater E190-E2, which will be deployed on short- and medium-haul flights. The investment will further enhance Scoot's connectivity in the region, bolster the SIA Group's network, and strengthen Singapore's position as a leading air hub.

Scoot (Continued)



ADAPTING TO EVOLVING CONSUMER EXPECTATIONS

To celebrate a decade since its inaugural flight, Scoot launched its largest network sale and a 10,000-ticket giveaway in June 2022. It also became the first ASEAN airline to partner The Pokémon Company to launch Pokémon Air Adventures. The themed flight experience on board Pikachu Jet, the Boeing 787-9 Dreamliner, features exclusive Pokémon-themed livery, interior, and amenities. The partnership reaffirms Scoot's commitment to offer their customers fun and unique travel experiences, in line with its brand expression.

Scoot also continued to invest in digital enhancements and automation to drive greater self-service capabilities and efficiencies to improve the customer experience. This included a rearchitected website that supports hyper-personalisation, as well as reinstating self-help check-in facilities and home-printed boarding passes.

From March 2023, Scoot unveiled and progressively rolled out across the region the *Because Travel Deserves Better* brand campaign to raise awareness of its brand and leadership position in the region's low-cost travel sector. It also added survey touchpoints to gather customer feedback more effectively for improvement.

STRIVING FOR OPERATIONAL AND SUSTAINABLE EXCELLENCE

To increase productivity for its dispatchers, Scoot adopted technologies used by SIA, such as the Lido Flight 4D flight planning system.

Scoot also continued to support the SIA Group's sustainability goals of achieving net zero carbon emissions by 2050, by uplifting Sustainable Aviation Fuel(SAF)on its flights in July 2022 as part of a one-year pilot. As part of its commitment to operate a modern and fuel-efficient fleet, Scoot aims to retire its older aircraft and take delivery of new generation fleet, including the new E190-E2s, by 2026.





PRIORITISING OUR PEOPLE

Scoot retained most of its staff, including pilots, engineers, and cabin crew during the pandemic, and equipped them with the relevant knowledge and skillsets to perform their roles effectively, during and after the pandemic.

In 2022, Scoot launched a buddy support programme to help new hires assimilate into their roles quickly, and rolled out the Scoot Elevate and Excel Development programme to develop future leaders.

The health and well-being of employees remained a top priority for Scoot during the financial year. In March 2023, Scoot joined the Civil Aviation Authority of Singapore (CAAS) and other airlines in a tripartite Mental Health and Wellness Support Framework to promote good mental health practices at work. This initiative will enable Scoot to better address the needs of its flight crew and operational staff.

INTERNATIONAL RECOGNITION

Scoot was once again recognised as a leading low-cost carrier at Skytrax's World Airlines Awards 2022. 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.

Meanwhile, Scoot attained full International Air Transport Association (IATA) membership in 2022, certifying that it had met the highest standards for airline safety. As a member of IATA, Scoot will have more opportunities to share best practices, drive priorities in the aviation industry, and redefine value travel.



Awards

QUARTER 1 (APR TO JUN)

MAY 2022

Business Traveller Middle East Award

- Best Asian Airline Serving the Middle East

DestinAsian (Asia) Readers' Choice Awards 2022

- Best Airline (Overall)
- Best Airlines (Premium Class)
- Best Airlines (Economy Class)
- Best In-flight Entertainment
- Frequent-flier Programme

QUARTER 2 (JUL TO SEP)

JUL 2022

Travel & Leisure Magazine (USA)

- World's Best International Airline

SEP 2022

Skytrax World Airline Awards 2022 (UK)

- World's Best Airline Cabin Crew
- Best Airline in Asia
- World's Best First Class
- World's Best First Class Onboard Catering
- Best First Class Airline Seats
- Best Business Class Lounge in Asia
- Best Business Class in Asia
- Best Premium Economy Class in Asia
- Best Economy Class in Asia

QUARTER 3 (OCT TO DEC)

OCT 2022

Condé Nast Traveler (USA) 2022 Readers' Choice Awards

- Best Airline in the World (33rd time)

Travel Weekly Asia Readers' Choice Awards 2022

- Best Airline - Asia Pacific

Business Traveller (Asia-Pacific) 2022

- Best Airline (31st consecutive year)
- Best Asia-Pacific Airline
- Best Airline First Class
- Best Airline Business Class
- Best Airline Premium Economy Class
- Best Airline Economy Class

NOV 2022

Travel + Leisure (India)

- Best International Airline Award

Condé Nast Traveller (India) India Readers' Travel Awards 2022

- Favourite International Airline

World Travel Awards 2022

- World's Leading Airline to Asia 2022 (4th consecutive year)
- World's Leading Airline - First Class 2022
- Asia's Leading Airline 2022
- Asia's Leading Airline - First Class 2022

Business Traveller (UK) 2022

- Best Airline
- Best Asian Airline
- Best Cabin Staff
- Best First Class

DEC 2022**Business Traveller Awards 2022 (Germany)**

- Best Airline for Corporate Travelers Worldwide
- Best Asian Airline

Business Traveler USA 2022

- Best First Class in the World
- Best Business Class in the World
- Best Trans-Pacific Airline
- Best Food and Beverage on International Business Class
- Best Wine Selection on International Carriers in Business Class

QUARTER 4 (JAN TO MAR)**JAN 2023****City Traveller Magazine (China)**

- The Best Airline in 2023 (4th time)

FEB 2023**Business Traveller's Cellars in the Sky Awards 2022****Gold Awards**

- Best Overall Cellar
- Best Business Class Cellar
- Best Business Class Red
- Best Presented First Class Wine List
- Best Presented Business Class Wine List

Silver Awards

- Best First Class Cellar
- Best First Class Red
- Best First Class Sparkling
- Best Business Class Sparkling

Bronze Awards

- Best First Class White
- Best Business Class Fortified

49th Annual ATW Airline Industry Awards

- 2023 Air Transport World Airline of the Year

Fortune Magazine (USA)

- Top 50 World's Most Admired Companies (Ranked 31)

MAR 2023**DestinAsian (Asia) Readers' Choice Awards 2023**

- Best Airline (Overall)
- Best First & Business Class
- Best Economy Class
- Best Frequent Flier Program
- Best In-flight Entertainment

Hurun Report 2023 (China)

- Best International First & Business Class Award (11th consecutive year)

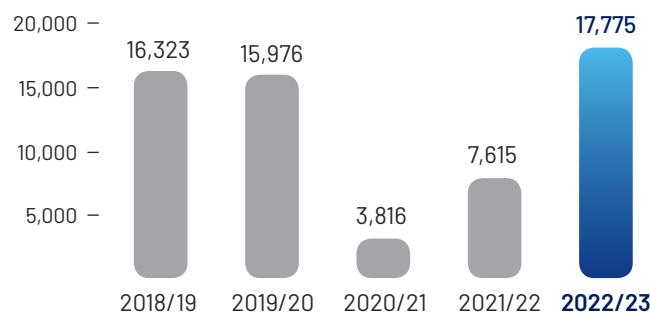


Financial Review

Highlights of the Group's Performance

REVENUE

(\$ million)



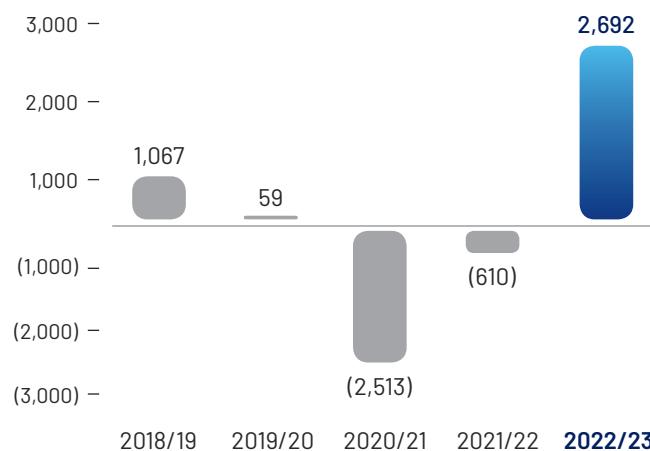
TOTAL REVENUE

\$17,775
million

(+\$10,160 million, +133.4%)

OPERATING PROFIT/(LOSS)

(\$ million)



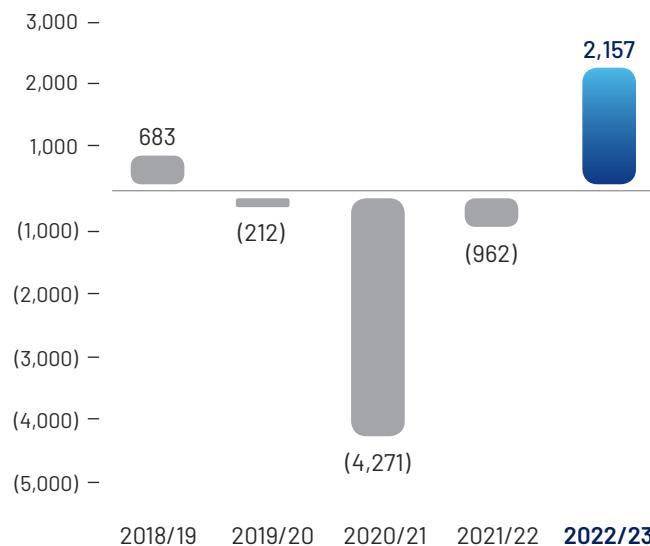
OPERATING PROFIT

\$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.

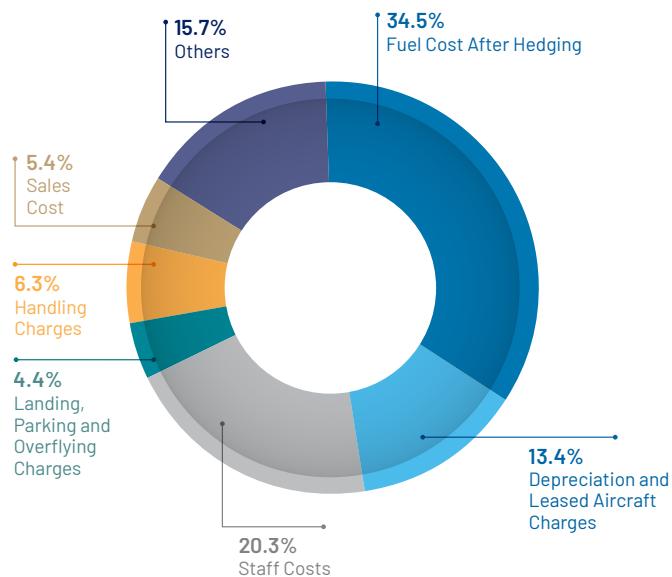
Fuel cost after hedging rose \$3,020 million (+138.0%) to \$5,209 million, largely from a 49.6% increase in average jet fuel prices (+\$1,942 million) as demand for oil recovered, while sanctions on Russian oil arising from the Russian-Ukraine war affected oil supply. The increase was further contributed 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.

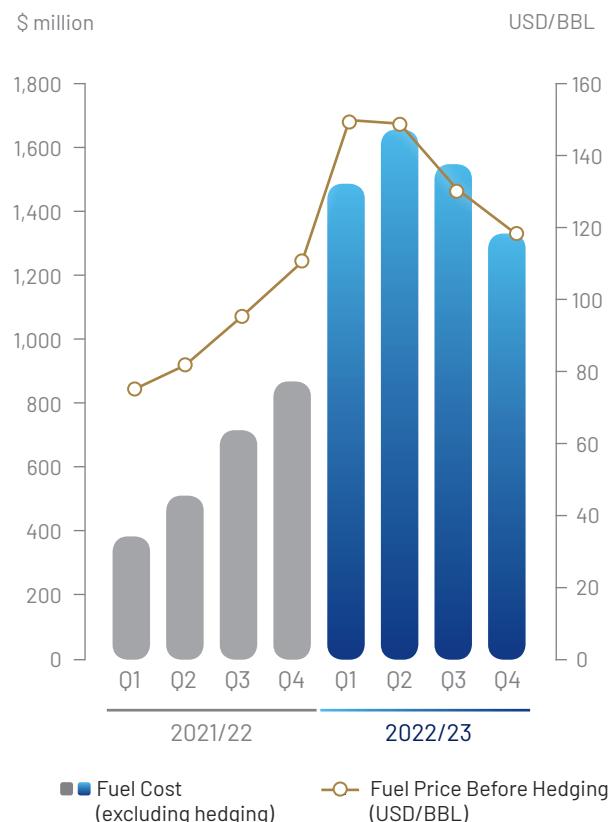
The Group registered a record operating profit of \$2,692 million for the financial year ended 31 March 2023, an improvement of \$3,302 million from the operating loss last year. The improvement was largely attributable to the return to profitability by the Group airlines. Please refer to the review 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 accrued 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).

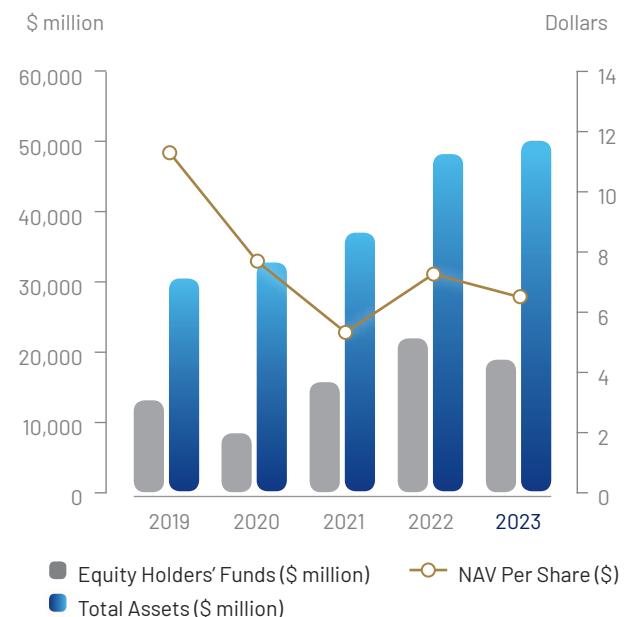
ROU assets increased as the Group entered into sale and leaseback arrangements for 14 aircraft during the year, namely six 737-8s, four 787-8s, two 787-9s and two A320neos. This was partially offset by depreciation for the financial year.

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.

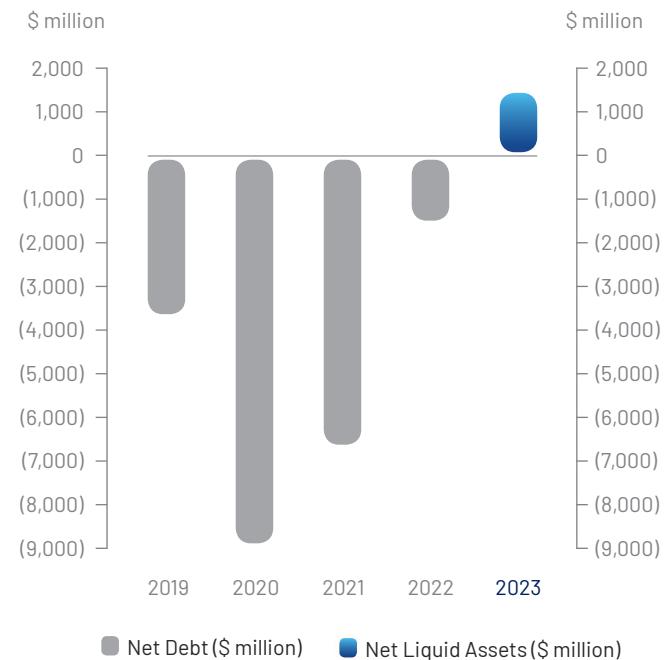
Property, plant and equipment declined largely due to depreciation and sale and leaseback arrangements on the 14 aircraft mentioned above, partially offset by pre-delivery payments for aircraft on order.

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.

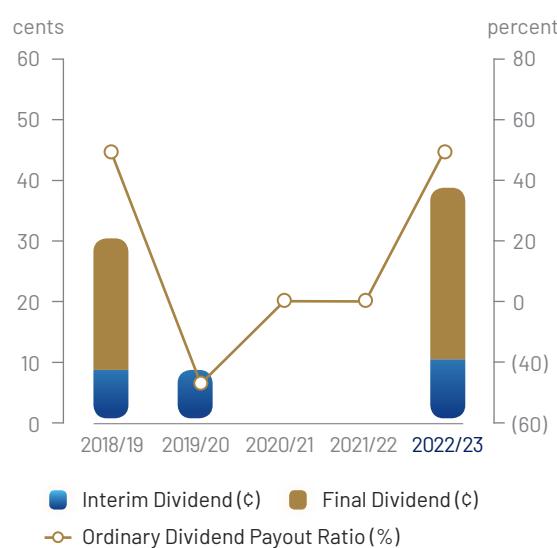
Financial Review (Continued)

Performance of the Group (Continued)

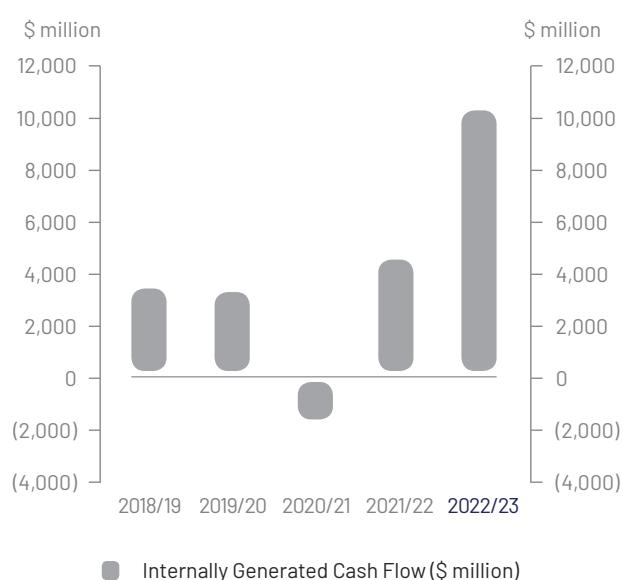
DIVIDENDS

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.

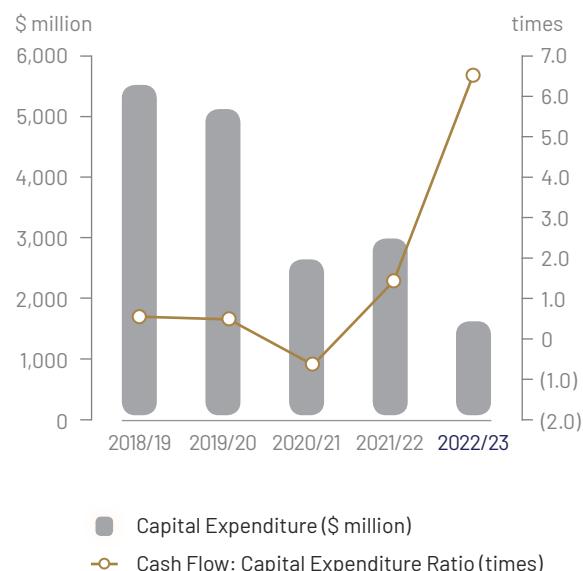
DIVIDEND PAYOUT



INTERNALLY GENERATED CASH FLOW



GROUP CAPITAL EXPENDITURE



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.

GROUP STAFF STRENGTH AND PRODUCTIVITY

The Group's staff strength as at 31 March 2023 was as follows:

	31 March		
	2023	2022	% Change
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

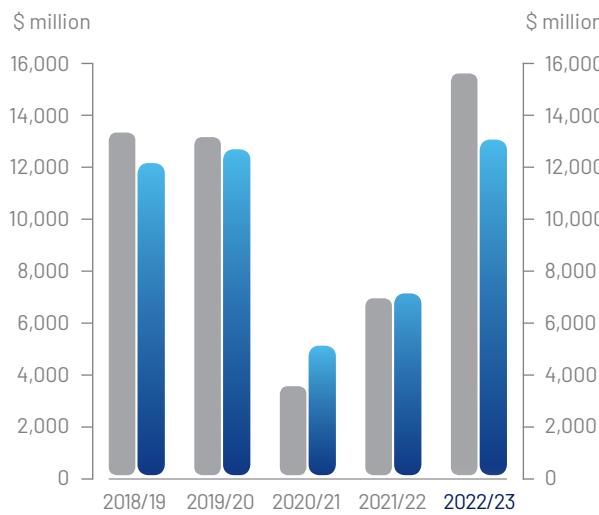
Following the completion of the integration of SilkAir with the Parent Airline Company on 31 May 2021, the financial performance for Singapore Airlines and SilkAir are consolidated and presented under the Full-Service Carrier (FSC).

EARNINGS

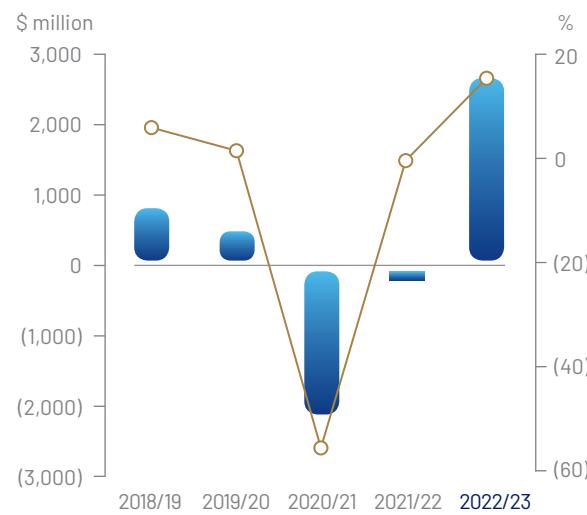
	2022/23 \$ million	2021/22 \$ million	% Change
Revenue	15,590.1	7,068.1	+ 120.6
Expenditure	12,988.9	7,180.0	+ 80.9
Operating profit / (loss)	2,601.2	(111.9)	n.m.
Finance charges	(398.3)	(357.2)	+ 11.5
Interest income	515.2	106.0	n.m.
Write-back of impairment / (Impairment) of aircraft	57.2	(50.5)	n.m.
(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 (\$ million)
■ Expenditure (\$ million)

■ Operating Profit/(Loss)(\$ million)
—○— Operating Profit/(Loss) 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

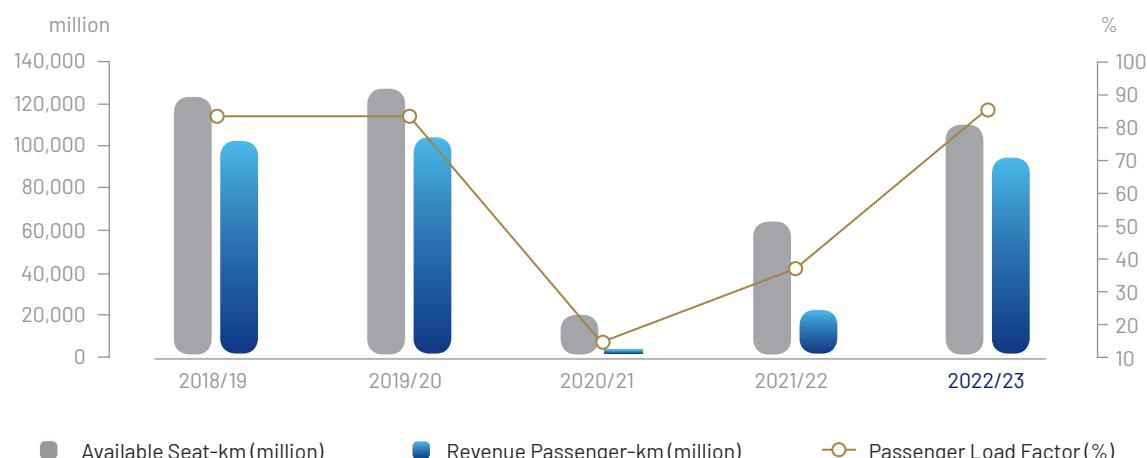
The FSC's revenue jumped 120.6% to \$15,590 million, predominantly from the strong pent-up demand for air travel following the lifting of travel restrictions and easing of Covid testing protocols in key global markets. This was partially offset by weaker cargo demand due to macroeconomic headwinds and 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
<u>3.1% decrease in passenger yield:</u>		
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

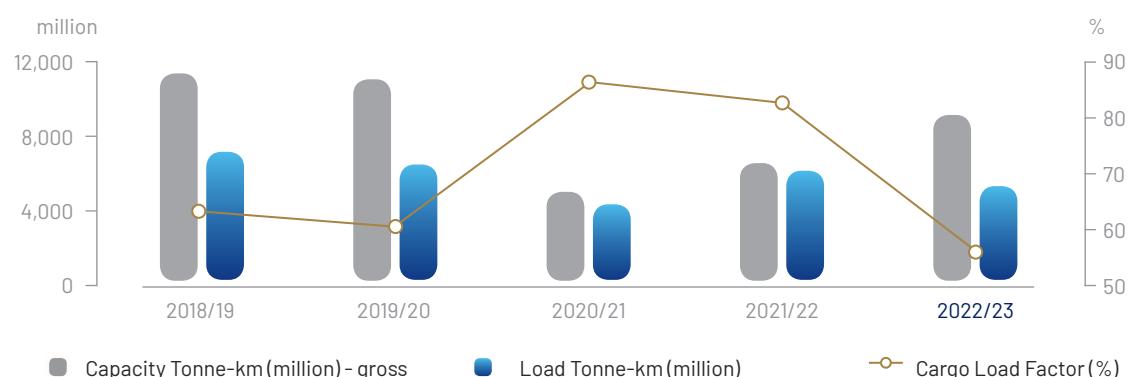
OPERATING PERFORMANCE – CARGO SEGMENT

	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
<u>6.2% decrease in cargo yield:</u>		
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
Americas	570.2	783.7	-	27.2	164.7	181.2
Europe	925.6	1,056.7	-	12.4	682.2	657.8
South West Pacific	773.7	899.0	-	13.9	224.3	286.6
West Asia and Africa	330.3	382.9	-	13.7	213.9	261.4
Systemwide	3,603.8	4,339.4	-	17.0	3,603.8	4,339.4

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	+
Fuel hedging gains	(637.8)	(196.3)	-
	4,629.4	2,039.8	+

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	+
53.8% increase in volume uplifted from 18.4 million BBL to 28.3 million BBL	+
Stronger USD against SGD	+
	+

^{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.

FUEL PRODUCTIVITY OF PASSENGER FLEET



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.

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).

Statement on Risk Management

1. SIA GROUP ENTERPRISE RISK MANAGEMENT FRAMEWORK

A formalised Enterprise Risk Management Framework has been established across the SIA Group since 2002 to ensure that a sound system is in place to govern, report and manage risks through the application of established risk management principles, policies and guidelines. This framework includes activities that run throughout the year, involving all levels of staff to ensure that risks are proactively reviewed and managed on a coordinated and integrated basis across the Group, where controls are regularly assessed to validate their effectiveness and relevance in the prevailing operating environment. Details of the key elements of this Framework can be found on SIA's Website⁶.

2. RISK APPETITE

Risk Appetite Statements for the Group have been approved by the Board under the following key areas:

(i) Strategic

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

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

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

(ii) Safety

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

(iii) Operational

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

(iv) Information Technology

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

(v) Financial

The Group's airline operations carry certain financial risks, including the effects of changes in jet fuel prices, foreign currency exchange rates, interest rates, the market value of our financial investments, as well as credit risks. The Group's overall risk management approach is to moderate the effects of such volatility on its financial performance through the use of derivatives to hedge specific exposures. In terms of liquidity risk, the Group's approach is to ensure access to diverse sources of funding and instruments at all times.

⁶ <https://www.singaporeair.com/saar5/pdf/corporate-info/riskmanagementframework.pdf>

Statement on Risk Management (Continued)

(vi) Sustainability

The Group strives to provide air transportation services of the highest quality by ensuring that key environmental, social and governance (ESG) risks are regularly reviewed, considered and addressed throughout our business operations and in all strategic decisions. Various programmes are in place to drive and implement sustainable practices across the Company. We continue to deepen our efforts to mitigate climate change risks, ensure responsible business practices, build a diverse and inclusive workforce, and give back to people and the communities we operate in.

(vii) Regulatory

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

3. HIGHLIGHTS OF KEY RISK MANAGEMENT ACTIVITIES

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

(a) Ongoing Reviews of Risks and Controls

In view of the evolving risk landscape, one of the key elements of SIA's Risk Management Framework is the review of risks on an ongoing basis through a bottom-up, top-down approach. This was done through various activities driven by the SIA Risk Management department and promoting a risk-aware culture where Business Units (BUs) proactively reviewed risks and controls. Key risk topics were also scheduled throughout the year for review by the various Risk Committees at Company, Group and Board levels in addition to regular reporting of risk management indicators and incidents to ensure oversight. The formal Group-wide Annual Risk Management Review Exercise was also conducted, where risks were assessed at the Company and Group levels, and surfaced to the Board Safety and Risk Committee (BSRC) for review. The outcome, including the Group's strategic risks, was reported to the Board. Where risks cut across various functions and are interdependent, the BSRC also coordinated the review of these risks and the distribution of relevant risks to other Board Committees for oversight. The SIA Group Risk and Compliance Management Committee (GRCMC) supported the BSRC in ensuring that risks were effectively surfaced and reviewed, and that risk responses across the Group were coordinated and integrated. Correspondingly, the Company's Risk Management Committees ensured that risks were surfaced by their various business divisions for review by the GRCMC and BSRC.

(b) Review of Climate-related Risks and Opportunities

While climate-related risks have been considered and surfaced as an area of concern for the Group, efforts are well under way to comply with specific requirements in line with the new mandate by the Singapore Exchange Limited (SGX) to disclose climate-related risks and opportunities, which will be done through the Group's Sustainability Report. Engagement with BUs was also stepped up during the financial year in review to increase awareness and enhance staff competency in assessing climate-related factors and their impact to business operations. This will continue to be a key area of focus for the SIA Group going forward.

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

Ongoing reviews of and simulation test exercises on business continuity plans and other integrated response plans were conducted throughout the financial year. The test exercises were independently verified to ensure the efficacy of the Group's resilience against business disruptions from unplanned events. Internally, taskforces for specific scenarios are in place and convened annually to assess the Group's preparedness in managing potential large-scale disruptions. Integrated tests of business continuity plans were also conducted with relevant stakeholders, vendors and outsourced agents, to facilitate scenario-driven approaches and to harness synergies, responsibilities, coordination and communication across various functions.

(d) Review of Information Technology and Cybersecurity Risks

With increasing reliance on Information Technology (IT), and cybersecurity threats continuing to be a menace to business operations, regular reviews of IT and cybersecurity risk exposures and close monitoring of trends were carried out to ensure the Group's nimbleness in adapting and strengthening controls to address the evolving IT security threats and organised cybercrimes. To assess the Group's response readiness to a cyber attack and the recovery capabilities for critical IT systems, regular cyber incident and disaster recovery drills were conducted. In addition, continuous monitoring tools have been adopted by SIA Information Security to assess potential vulnerabilities and identify areas to further strengthen the Group's cybersecurity infrastructure.

(e) Review of Enterprise Risk Management Framework and Programme

The SIA Group Enterprise Risk Management Framework is continually reviewed to ensure that the Group's risk governance and risk management practices remain relevant and effective, while also meeting applicable corporate governance requirements at the same time. Aside from ensuring process efficiency and effectiveness, a key area of focus in enhancing risk management for the Group is inculcating a risk-aware culture, where risks are reviewed proactively and on an ongoing basis, with robust processes in place to ensure that they are managed effectively and collaboratively. To achieve this, a comprehensive plan is in place to reach out to all employees through targeted communications and engagement activities. An interactive web-based training that is mandatory for all employees is also in place, as continual training is another key element to equip our employees with the relevant knowledge and the right mindset to manage risks. Risk management resources, including manuals and guidelines are regularly updated and readily available to all employees to encourage independent and proactive management of risks in day-to-day operations.

(f) Assurances on Risk Management Processes

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

Corporate Governance Report

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

This Report sets out the Company's corporate governance processes, practices and activities with specific reference to the principles and provisions of the revised Code of Corporate Governance issued by the Ministry of Finance in Singapore in August 2018 (the "Code"), which is applicable to this report. The Company's corporate governance processes and activities have complied in all material aspects with the principles and provisions of the Code.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS (PRINCIPLE 1)

Board's Role

The Company is headed by an effective Board which oversees its business performance and affairs, and provides guidance to Management to ensure its long-term success. The Board's principal functions include charting the Group's strategic direction, guiding Management on its ongoing transformation efforts (including digitalisation, technology and innovation), reviewing and approving annual budgets and financial plans, monitoring the Group's performance, approving major transactions (including acquisitions and disposals) and fundraising exercises, and reviewing sustainability and material issues.

The Board actively engages Management, constructively challenges them and holds them accountable for the Company's performance. Material items which require Board approval include the first-quarter and third-quarter business updates, the half-year and full-year financial results, the general remuneration framework for Relevant Key Management Personnel⁷, etc..

Board Directors lead Management by example, regarding themselves as fiduciaries who act objectively in the best interests of the Company, thereby setting the appropriate tone-from-the-top and desired organisational culture. In this regard, the Board's duties include reviewing the appropriateness of the risk management and compliance framework as part of ensuring compliance with laws and industry standards material to the business, and approving the risk appetite statements in relation to various key areas concerning the Company and the Group. Where there is an actual or potential conflict of interest facing a Director, he or she recuses himself or herself, or abstains from voting.

Delegation by the Board

In the discharge of its functions, the Board is supported by six committees to which it delegates specific areas of responsibilities for reviewing and/or decision making. The Board committees play an important role in ensuring good corporate governance. All six Board committees are constituted with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. Each of these committees assists the Board in the discharge of its oversight function and is actively engaged, with the Chairmen of each committee reporting significant matters discussed and/or approved by the committee regularly to the Board, pursuant to the relevant committee's charter.

The Group has established financial authorisation and approval limits for operating and capital expenditures, procurement of goods and services, and acquisition and disposal of investments. These limits and procedures are communicated in writing to relevant departments. Pursuant to these written procedures, the Board approves transactions that exceed the applicable materiality thresholds, while delegating authority for transactions below such threshold limits to the Board Executive Committee and/or Management to optimise operational efficiency.

Board Meetings

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

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

⁷ Relevant Key Management Personnel are employees holding the rank of Executive Vice President and above. For FY2022/23, they comprised the CEO and three Executive Vice Presidents.

A record of the Directors' attendance at Board and Board committee meetings during the financial year is set out on page 87. Directors who are unable to attend a Board meeting or Board committee meeting are provided with the agenda and papers in advance, and can discuss issues relating to the matters to be raised at the meeting with other Board members and/or Management.

Access to Information

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

Board Directors have separate and independent access to Senior Management⁸ and the Company Secretary at all times. The Company Secretary attends the Board meetings and prepares minutes of the Board proceedings. He assists with the proper functioning of the Board, including compliance with the Company's Constitution, the Companies Act, the Securities and Futures Act and the SGX-ST Listing Manual. He ensures that all material information is provided to the Board in a timely manner. The Company Secretary is legally trained and experienced in company secretarial practices. The appointment and removal of the Company Secretary is subject to the Board's approval.

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

Newly Appointed Directors

To assist newly appointed Board Directors to understand the Company's business and their directorship duties, Management briefs them on the Company's business and strategic directions, as well as governance practices. The Company conducts orientation programmes for new Board Directors, including site visits to the Company's main centres of operations such as the aircraft hangars and training facilities for cabin crew and pilots. Relevant material is also provided, including a set of policy and guidelines on dealings in securities and a memorandum on directors' duties and liabilities. Formal letters are issued to new Board Directors upon their appointment, setting out details of their duties and obligations as Directors. The Board Directors, including newly appointed Directors, are subject to the requirements of the Code.

Subsequent trainings and updates for the Directors are described in the section on "Board Nominating Committee ("NC")" under Principles 4 and 5.

BOARD COMPOSITION AND GUIDANCE (PRINCIPLE 2)

Board Size and Composition

The Board currently comprises 11 Directors as follows:

Name of Director	Position Held on the Board	Date of First Appointment to the Board	Date of Last Re-election as Director	Nature of Appointment
Peter Seah Lim Huat	Chairman	1 September 2015	26 July 2022	Non-executive/Independent
Goh Choon Phong	Director	1 October 2010	27 July 2020	Executive/Non-Independent
Gautam Banerjee	Director	1 January 2013	29 July 2021	Non-executive/Non-Independent
Hsieh Tsun-yan	Director	1 September 2012	27 July 2020	Non-executive/Non-Independent
Lee Kim Shin	Director	1 September 2016	29 July 2021	Non-executive/Independent
Dominic Ho Chiu Fai	Director	1 May 2017	29 July 2021	Non-executive/Independent
Simon Cheong Sae Peng	Director	1 June 2017	26 July 2022	Non-executive/Independent
David John Gledhill	Director	1 September 2018	26 July 2022	Non-executive/Independent
Goh Swee Chen	Director	1 January 2019	26 July 2022	Non-executive/Independent
Jeanette Wong Kai Yuan	Director	1 June 2021	29 July 2021	Non-executive/Independent
Yeoh Oon Jin	Director	1 August 2021	26 July 2022	Non-executive/Independent

⁸ Senior Management are employees holding the rank of Senior Vice President and above. For FY2022/23, they comprised the CEO, three Executive Vice Presidents and 11 Senior Vice Presidents.

Corporate Governance Report (Continued)

The size and composition of the Board are reviewed by the Nominating Committee at each of its four meetings throughout the year, taking into account the scope of the business, nature of operations and changing needs of the Group over time. In its review, the Nominating Committee seeks to ensure that the size and composition of the Board is adequate to provide for a diversity of thought and background to facilitate effective decision-making, and that the Board has an appropriate balance of executive, independent and non-independent Directors.

Board Diversity Policy

Singapore Airlines has a Board Diversity policy. Under this policy, the Board is committed towards building diversity amongst its members, taking care to select and appoint suitably qualified and/or well-experienced persons in their respective fields of expertise, as Directors regardless of gender, age, ethnicity, nationality, religion or other dimensions of diversity. The Board believes that diversity is not only limited to a person's gender or individual characteristics. Instead, Board diversity is multi-faceted in nature, with different dimensions varying from time to time, depending on the prevailing environment and future needs of the business. As a result, the Board's diversity characteristics and composition will change over time to adapt to evolving business challenges, opportunities, and cycles. In view of this, the main target of the Board Diversity policy is to strike an appropriate balance of perspectives, experience and expertise on the Board as a whole, so that with the benefit of diverse views, the Board can be effective in decision-making to support the long-term success of Singapore Airlines.

To ensure that the Board continues to provide the necessary range of perspectives, experience and expertise for the benefit of the Company, the Nominating Committee considers diversity criteria, amongst other relevant criteria as part of its director candidate selection and nomination pursuant to the Board Diversity policy. Such objective criteria include core and complementary industry experience, as well as professional and management skillsets. The Nominating Committee considers the main target of the Board Diversity policy to have been met, as the Board collectively comprises Directors who come from diverse industry and professional backgrounds with varied expertise in finance, accounting/audit, legal, technology, human resource, sustainability, business, marketing and management fields. Their profiles are found on pages 12 to 15 and 88 to 93.

Specifically in support of gender diversity under the policy, the Nominating Committee ensures that appropriate efforts are made to include suitable female candidates in the identification of potential directors, when reviewing the optimum composition and balance of the Board. As part of its diversity initiatives, the Board has two female Directors, one of whom is on the Nominating Committee. The policy target, introduced in FY2022/23, is to increase the female Board representation to 30% within the timeline leading up to 2030, whilst striving to maintain a minimum of two female directors on the Board.

Other elements of diversity considered by the Nominating Committee in line with the policy include the geographic exposure of the Board as a whole, as a broad reflection of the Company's cross-border business. This aspect of diversity is not only a function of the Board Directors' experience gained in other countries or multi-national companies, but also includes their personal attributes such as nationality and ethnicity. In this regard, the Board comprises three foreign nationals, a Caucasian and an Indian by ethnicity. The Nominating Committee considers this aspect of diversity by geographic exposure, ethnicity and/or nationality to have been satisfied in the Company's circumstances, as a majority Singaporean Board is needed to comply with aero-regulatory requirements applicable to the Company, being the holder of a Singapore Air Operator Certificate.

The Board values the importance of being well-balanced and effective through ensuring a diversity of views under the Board Diversity policy. With this aim in mind, the Board will continue to build on the element of diversity. In FY2022/23, the Board's diversity efforts were recognised by the Securities Investors Association of Singapore ("SIAS"). At the SIAS Investors' Choice Awards in October 2022, Singapore Airlines had the honour to be named the runner-up for the Singapore Corporate Governance Award under the "Diversity" category.

Board Independence

The Board, taking into account the views of the Nominating Committee, assesses the independence of each Director annually in accordance with the definition under the Code, namely that an "independent" Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

Based on the above definition, all the independence requirements under the provisions of the Code, as applicable to the relevant Board committees, have been met. In addition, the Board has well exceeded the minimum independence target set by Rule 210(5)(c) of the SGX-ST Listing Manual, namely that at least one-third of its members have to be independent. In this regard, there is a strong majority of independent Board Directors, with the Board considering eight Directors, including the Chairman, out of 11 Board members to be independent. In particular, these eight Directors are considered to be independent from Management and the Company's substantial shareholders, namely Temasek Holdings (Private) Limited and its wholly-owned subsidiaries, Napier Investments Pte. Ltd. and Tembusu Capital Pte. Ltd. (together, "Temasek").

The three non-independent Directors are Mr Goh Choon Phong, Mr Hsieh Tsun-yan and Mr Gautam Banerjee. Mr Goh is the Chief Executive Officer ("CEO") and sole executive Director of the Company. All of the other ten Board members are non-executive Directors, who make up a majority on the Board.

Amongst the ten non-executive Directors are two non-independent Directors, namely Mr Hsieh Tsun-yan and Mr Gautam Banerjee. Each of them, having served for more than nine years on the Board, was re-designated as a non-independent Director with effect from 1 January 2022 by the automatic operation of the "nine-year rule" under Rule 210(5)(d)(iii) of the SGX-ST Listing Manual (which took effect from 1 January 2022). The Board believes that the continued appointment of Mr Hsieh and Mr Banerjee (who have both, over time, gained valuable insights into the Company and accumulated vast institutional knowledge) as non-independent Directors is especially critical for continuity in the COVID-19 crisis and ensuing recovery period. The recovery was complex to navigate as different countries opened up to international travel at different times under different conditions depending on vaccination status, PCR/ART test requirements, etc..

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (PRINCIPLE 3)

The Chairman, Mr Peter Seah, and the CEO, Mr Goh Choon Phong, are not related to each other. There is a clear division of responsibilities between the Chairman and the CEO, with different authority limits set out in writing for various matters. No one individual has unfettered powers of decision-making. This ensures a balance of power within the Company, as well as increases accountability and greater capacity of the Board for independent decision-making.

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

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

Corporate Governance Report (Continued)

BOARD MEMBERSHIP (PRINCIPLE 4)

BOARD PERFORMANCE (PRINCIPLE 5)

Board Committees

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

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

Each Board committee's work pursuant to its written terms of reference (the "Charter") is described briefly below. The Charters are reviewed periodically and updated as necessary.

(A) Board Executive Committee ("ExCo")

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

(B) Board Audit Committee ("AC")

The AC comprises Mr Yeoh Oon Jin (Chairman), Mr Gautam Banerjee, Mr Hsieh Tsun-yan, Mr Dominic Ho, Ms Goh Swee Chen and Ms Jeanette Wong. Four out of six members of the AC are independent Directors. All the AC members are non-executive Directors. The role and responsibilities of the AC under its Charter are described in the section on "Audit Committee" (Principle 10) as shown on pages 83 to 85.

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

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

The BSRC also oversees the risk governance framework and risk management system, including reviewing key risks and controls put in place by Management. This is further described in the section on "Risk Management and Internal Controls" (Principle 9) as shown on pages 82 to 83.

(D) Board Nominating Committee ("NC")

The members of the NC are Mr Peter Seah (Chairman), Mr Lee Kim Shin and Ms Goh Swee Chen. All members of the NC are independent non-executive Directors.

(D1) Appointment and Re-election of Directors

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

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

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

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

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

(D2) Evaluation of Board Performance

For FY2022/23, the NC had commissioned a formal evaluation of the Board and its board committees. The process involved sending questionnaires for feedback from the Directors. The evaluation confirmed that the Board and its board committees were generally functioning effectively and performing well, within a highly competitive and challenging environment. The performance of individual Directors was reviewed by the Chairman and the NC, while the Chairman's performance was reviewed by the rest of the Board.

(D3) Directors' Commitment

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

(D4) Directors' Training

Under its Charter, the NC's responsibilities include reviewing the training and professional development programmes for the Board, whether for new or existing Directors. Board Directors understand the Company's business and their directorship duties (including their roles as executive, non-executive, independent and non-independent Directors). They are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. For the financial year, all Board members have completed one of the sustainability courses in the list of such courses as prescribed by SGX-ST.

Board meetings may include presentations by senior executives, external experts and industry leaders on strategic issues relating to specific business areas. For FY2022/23, Board members attended briefings on the regional political landscape, the Singapore Aviation Ecosystem, sustainability, go-to-market strategies for the Group, SIA's multi-hub strategy including its investment in India, as well as other related topics. Guest speakers included two professors from the National University of Singapore, one of whom was from the East Asian Institute and the other from the Lee Kuan Yew School of Public Policy.

Corporate Governance Report (Continued)

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

(E) Board Compensation and Industrial Relations Committee ("BCIRC")

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

In accordance with its responsibilities and duties under its Charter, the BCIRC reviews and recommends for the Board's approval the general framework of remuneration for the Board and Relevant Key Management Personnel. The BCIRC also recommends the specific remuneration packages for each Director and Relevant Key Management Personnel and administers the Company's Profit Sharing Bonus ("PSB"), EVA-based Incentive Plan ("EBIP"), Performance Share Plan ("PSP"), Restricted Share Plan ("RSP") and Strategic Share Award ("SSA") for Senior Management. The award of shares to Senior Management is based on organisational and individual performance. The BCIRC retains and may exercise discretion when determining the link amongst remuneration, performance and value creation. Professional advice is sought by the BCIRC, as it deems necessary, in the development and execution of the remuneration plan for the Company's Senior Management. For FY2022/23, Carrots Consulting Pte Ltd was engaged as a remuneration consultant to provide professional advice on human resource matters. The principal consultant providing such services was Mr Johan Grundlingh. Carrots Consulting only provides remuneration consulting services to the Company, and has no other relationship with the Company.

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

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

(F) Customer Experience, Technology and Sustainability Committee ("CETSC")

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

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

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

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (PRINCIPLE 6)

LEVEL AND MIX OF REMUNERATION (PRINCIPLE 7)

Remuneration Philosophy and Principles

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

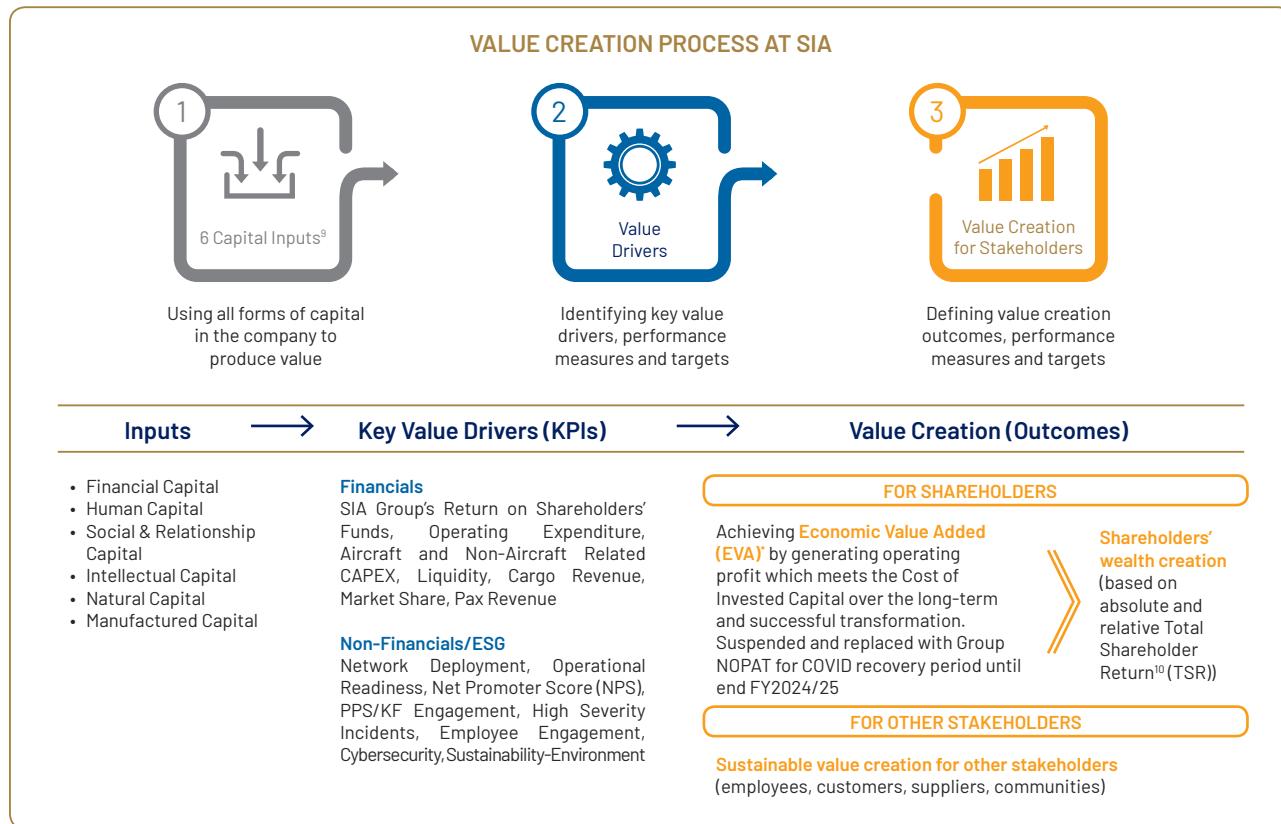
Philosophy	Principles
Shareholder and Business Alignment	<ul style="list-style-type: none"> Build sustainable value creation and unlock wealth creation to align with shareholder interests Enhance retention of Senior Management Provide sound and structured funding to ensure affordability and cost-effectiveness of compensation system in line with value-added and wealth-added goals
Motivate Right Behaviours	<ul style="list-style-type: none"> Pay for performance – align, differentiate and balance rewards according to multiple dimensions of performance Strengthen line-of-sight linking rewards and performance goals Robust target setting taking into account shareholder expectations over foreseeable performance horizon and commensurate with reward levels Motivating for right level of risk taking and executive behaviour in age of disruptive technology and business transformation
Fair and Appropriate	<ul style="list-style-type: none"> Ensure remuneration is competitive relative to the appropriate talent markets Manage internal equity so that remuneration system is perceived as fair across the Group Balance interests of both internal and external stakeholders Provide for BCIRC and Board discretion to reward reasonably (both up and down) in the event of unintended outcomes
Effective Implementation	<ul style="list-style-type: none"> Maintain rigorous corporate governance standards Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations Facilitate employee understanding to maximise the value of the remuneration programs
Support Sustainability Agenda	<ul style="list-style-type: none"> Align performance-related remuneration with the interests of shareholders and other stakeholders Promote the long-term success of the Company Disclose relationships amongst remuneration, performance and value creation for shareholders and other stakeholders

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

Corporate Governance Report (Continued)

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

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



ALIGNMENT WITH SIA SENIOR MANAGEMENT COMPENSATION

Supported by SIA Senior Management Total Compensation Philosophy



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

⁹ As per the International Integrated Reporting <IR> Framework

¹⁰ Includes share price change and dividend yields

* To be suspended until end of FY2023/24 and to be reviewed thereafter

Remuneration Mix

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

Fixed Component for Senior Management ("Salary")

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

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

From 1 August 2021, there was a Company-wide restoration of 10% in respect of the Monthly Variable Component ("MVC") for all employees, including Senior Management. The remaining pay cuts were restored from 1 August 2022 onwards following the Company's firmer recovery from COVID.

Variable Components for Senior Management

(A) Cash Incentive Plans ("Bonuses")

This comprises the following components:

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

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

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

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

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

For FY2021/22 and onwards, the Individual Performance Scorecard categories include COVID recovery cost management and operational initiatives with Transformation and Strategic Projects weighing 50% and the remaining financial and operating categories weighing 50% subject to the BCIRC's discretion at the end of the financial year. ESG metrics as set out in our Key Value Drivers ("KPIs") are also included in the Individual Performance Scorecards.

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

For FY2022/23 there is a 6.65-month PSB payout (before ex-gratia bonus) based on SIA's stellar performance.

Corporate Governance Report (Continued)

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

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

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

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

The BCIRC had recommended and the Board had approved the suspension of new EBIP funding for FY2020/21 to FY2022/23 due to the impact of the COVID-19 pandemic on the airline industry. This suspension has been renewed until the end of FY2023/24 by the Board based on the BCIRC's recommendation and will be revisited thereafter based on prevailing market conditions.

(A3) Value Creation Recovery Plan ("VCRP")

VCRP is an interim incentive for FY2021/22 to FY2022/23 subject to the Board's discretion to motivate Senior Management to restore the Company to profitability. Under the plan, a percentage of positive Group NOPAT will be shared with the Senior Management subject to a funding cap. Payout will be made after the end of each financial year.

For FY2022/23, a VCRP payout pool has been generated due to the stellar performance of SIA and allocated by the Board based on the recommendation of the BCIRC. The VCRP has been extended for a two-year period until the end of FY2024/25.

(B) Share Incentive Plans

This comprises the following three components:

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

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

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

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

An initial award of FY2022/23 PSP was granted during the financial year under consideration in July 2022.

Due to the recovery of SIAs 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 FY2020/21 PSP awards granted based on the performance period from FY2020/21 to FY2022/23 and shares will cliff vest accordingly.

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

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

Under the RSP 2014, an initial award is made in the form of rights to shares, provided performance conditions are met in future. Annual grants are made based on position level and individual performance of the key executives selected to participate in the RSP 2014. Final awards may vary between 0% to 150% of the initial award based on the Company Operational Performance Scorecard ("COPS") for FY2022/23. The performance measures are selected as they are aligned with annual COVID recovery initiatives focused on cost management, operational metrics and revenue ramp-up. The final award is subject to extended vesting, with one-third of the final award vesting at the end of the one-year performance period, and the balance to be vested equally over the next two years.

An initial award of FY2022/23 RSP was granted during the financial year under consideration in July 2022.

Due to the stellar performance of SIA for FY2022/23, the Group has attained an achievement factor which is reflective of exceeding the pre-determined target performance level for the FY2022/23 RSP awards granted based on the performance period of FY2022/23 only and shares will commence vesting accordingly. Previous final awards of RSP continued to vest during the financial year.

(B3) Strategic Share Award ("SSA")

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

Under the 3rd SSA, an initial award was granted in July 2022 in the form of rights to shares taking into account Senior Management's efforts with regards to COVID recovery and mitigation as assessed by the BCIRC.

The 4th SSA supports the three financial year strategic plan for COVID recovery and a return to profitability, and will be granted in July 2023.

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

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

Details of the PSP 2014 and RSP 2014 can be found in the Directors' Statement on pages 99 to 101.

Share Ownership Guideline for Senior Management

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

Compensation Risk Assessment

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

Corporate Governance Report (Continued)

Pay-for-Performance Alignment

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

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

Due to the COVID impact on SIA, the BCIRC has suspended a review of the Pay-for-Performance Alignment study, which examines annually the adequate linkage of executive remuneration to the performance of the Company, until the airline industry stabilises. The BCIRC intends to re-activate this study in the future.

Non-executive Directors' Fees

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

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

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

The Non-executive Directors had taken a voluntary 30% fee reduction for FY2020/21, FY2021/22 and the first nine months of FY2022/23 given the COVID impact. From 1 January 2023, the Non-executive Directors' fee cut ceased completely following the Company's firmer recovery from COVID.

The Non-executive Directors' total fees in respect of FY2022/23 amounted to \$1,911,475 [FY2021/22: \$1,561,961] and were based on the following rates before the application of the 30% fee reduction:

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

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

DISCLOSURE ON REMUNERATION (PRINCIPLE 8)

Disclosure on Directors' Remuneration

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

The following table shows the composition of the remuneration of the Directors for FY2022/23:

Directors	Fees			Salary \$	Bonuses \$	Shares \$	Benefits ^d \$	Total \$
	Cash Component \$	Share Component \$	Total Fees \$					
Peter Seah Lim Huat	406,875	174,375	581,250	-	-	-	15,721	596,971
Gautam Banerjee	100,100	42,900	143,000	-	-	-	750	143,750
Simon Cheong Sae Peng	94,675	40,575	135,250	-	-	-	-	135,250
Dominic Ho Chiu Fai	145,425	62,325	207,750	-	-	-	397	208,147
Hsieh Tsun-yan	98,630	42,270	140,900	-	-	-	-	140,900
Lee Kim Shin	86,538	37,087	123,625	-	-	-	2,514	126,139
David John Gledhill	126,438	54,187	180,625	-	-	-	711	181,336
Goh Swee Chen	90,003	38,572	128,575	-	-	-	1,432	130,007
Jeanette Wong Kai Yuan	94,675	40,575	135,250	-	-	-	711	135,961
Yeoh Oon Jin	94,675	40,575	135,250	-	-	-	672	135,922
Goh Choon Phong	Declared Basis	-	-	1,135,081 ^a	2,964,876 ^b	2,479,000 ^c	146,333	6,725,290 ^e

^a Refers to Base Salary including pay cuts, and Annual Wage Supplement for FY2022/23.

^b This includes PSB and VCRP. EBIP funding is suspended.

^c Based on the Accounting Fair Values of RSP (\$5.016), PSP (\$6.948) and SSA (\$5.142) granted on a contingent basis in FY2022/23.

^d Includes transport allowance, travel benefits and employer CPF contributions where relevant.

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

Disclosure on Relevant Key Management Personnel's Remuneration

The following table shows the composition of the remuneration of the Relevant Key Management Personnel (who are not the CEO and hold the rank of Executive Vice President and above) for FY2022/23:

Relevant Key Management Personnel	Fee %	Salary ^a %	Bonuses ^b %	Shares ^c %	Benefits ^d %	Total %
Between \$3,000,000 and \$3,250,000						
Mak Swee Wah ^e	Declared Basis	0	23	38	36	100
Between \$2,750,000 and \$3,000,000						
Lee Lik Hsin ^e	Declared Basis	0	19	45	33	100
Tan Kai Ping ^e	Declared Basis	0	19	43	35	100

^a Refers to Base Salary including pay cuts, and Annual Wage Supplement for FY2022/23.

^b This includes PSB and VCRP. EBIP funding is suspended.

^c Based on the Accounting Fair Values of RSP (\$5.016), PSP (\$6.948) and SSA (\$5.142) granted on a contingent basis in FY2022/23.

^d Includes transport allowance, travel benefits and employer CPF contributions where relevant.

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

Corporate Governance Report (Continued)

The BCIRC and the Board have reviewed the market competitiveness of the total compensation packages of the CEO and EVPs against market peers in Singapore in deciding on the final total compensation outcomes for FY2022/23. The market peers include other large listed companies in Singapore and the information is extracted from recent annual reports of these listed peers. The resulting compensation packages for the CEO and EVPs reflect the size of SIA and takes into account the stellar performance delivered relative to these listed peers in FY2022/23. The BCIRC and the Board are of the view that the resulting market competitiveness for the CEO and EVPs is appropriate and not excessive given the efforts and dedication of the Senior Management in managing the airline out of the devastating impact COVID had on the business to a full recovery.

For FY2022/23, the aggregate total remuneration paid to the Relevant Key Management Personnel (who are not the CEO) amounted to \$8,759,194.

For FY2022/23, there were no termination, retirement or post-employment benefits granted to Directors, the CEO and Relevant Key Management Personnel other than the standard contractual notice period termination payment in lieu of service, and the industry standard post-retirement travel benefits for the CEO and Relevant Key Management Personnel.

There were no employees who were substantial shareholders of the Company, or were immediate family members of a Director, the CEO or a substantial shareholder of the Company and whose remuneration exceeded \$100,000, during FY2022/23.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS (PRINCIPLE 9)

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

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

Risk Management and Internal Controls

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

To support the BSRC, a dedicated Risk Management Department looks into and oversees the Group's risk management framework. In addition, the Legal, Compliance and Secretariat Department manages certain key regulatory compliance policies. The Statement on Risk Management can be found on pages 65 to 67.

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

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

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

Having reviewed the risk management and internal control systems of the Group, work performed by the internal and external auditors, and reviews performed by Management and various Board committees, the Board, with the concurrence of the BSRC and AC, is of the opinion that the Group's risk management and internal control systems were adequate and effective as at 31 March 2023, to address financial, compliance, operational and information technology risks.

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

AUDIT COMMITTEE (PRINCIPLE 10)

The AC's activities for FY2022/23, in accordance with its responsibilities and duties under its Charter, included the matters set out below. To discharge its responsibilities and duties, the AC has full access to, and the co-operation of, Management. The AC also has full discretion to invite any Director or executive officer to attend its meetings, and has been given adequate resources to discharge its functions. The AC meets with the internal and external auditors without the presence of Management every quarter.

(A) Financial Reporting

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

(B) Financial Matters

In the review of the financial statements for FY2022/23, the following significant matters impacting the financial statements were reviewed by the AC and discussed with Management and the external auditors:

Significant Matters	How the AC Reviewed These Matters
Accounting for carrying values of aircraft and related assets	<p>The AC reviewed and is satisfied with the reasonableness of Management's judgement and assumptions used in forming the accounting estimates underpinning the assessment of the recoverable amount of the Low-Cost Carrier ("LCC") Cash Generating Unit ("CGU").</p> <p>The AC is satisfied with the resultant carrying values of the aircraft and related assets.</p>
Accounting for passenger and cargo revenue	<p>The AC considered and is satisfied with the processes and controls in place for recording revenue within passenger and cargo revenue systems.</p> <p>The AC considered and is satisfied that the accounting for passenger and cargo revenue was appropriate.</p>

(C) External Audit

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

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

Corporate Governance Report (Continued)

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

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

(D) Risk Management and Internal Control

The AC reviewed the adequacy and effectiveness of the Group's risk management and internal control systems, which includes financial, compliance, operational and information technology controls, to safeguard the interests of the Group and its shareholders.

The risk management and internal control systems are also audited periodically by the Internal Audit Division and their adequacy and effectiveness reported to the AC accordingly.

(E) Interested Person Transactions

The Internal Audit Division reviewed the interested person transactions entered into by the Group to verify the accuracy and completeness of the interested person transactions disclosure and compliance with the SGX-ST reporting requirements under Chapter 9 of the Listing Manual. The AC, assisted by Internal Audit, reviewed interested person transactions to ensure compliance with the SGX-ST Listing Manual and the Shareholders' Mandate obtained at the last Annual General Meeting.

The AC is satisfied that the interested person transactions were made on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders. The Shareholders' Mandate, which is published in the Appendix to the Letter to Shareholders, defines the levels and procedures to obtain approval for such transactions.

(F) Whistle-blowing

The AC reviewed and is satisfied with the adequacy of the whistle-blowing programme instituted by the Group which encourages staff and others to raise concerns, in confidence, about possible improprieties in matters of financial reporting or other matters. The policy is communicated clearly to all employees on the Company's intranet, Staff Regulations and via a new web-based training course introduced in FY2022/23. The Group is committed to ensure the protection of whistle-blowers against detrimental or unfair treatment. All information received is treated confidentially to protect the identity of whistle-blowers. Employees who reported in good faith will be protected from reprisal. The AC is responsible for the oversight of the whistle-blowing framework and processes. All whistle-blower reports were investigated independently by Internal Audit and the results reviewed by the AC at its quarterly meetings to ensure timely independent investigation and adequate resolution. The Company also publicly discloses the existence of whistle-blowing reporting channels on the corporate website.

(G) Internal Audit

The Internal Audit Division is an independent division that reports directly to the AC. The division adopts a systemic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes by conducting risk-based audits and information technology audits across the Group. An annual audit plan is developed using a structured risk and control assessment framework through which the inherent risk and control environment of each auditable unit in the Group is assessed. The risk-based annual audit plan is aligned to the key strategies and risks across the Group's business. SIA's Internal Audit Division uses analytical tools to perform data analysis in selected audit areas that are more susceptible to fraud risk. This has enabled Internal Audit to be more effective in providing audit assurance to Management and the Board.

The Head of Internal Audit meets quarterly with the AC without the presence of Management. The appointment and termination of the Head of Internal Audit is reviewed and decided by the AC. The AC reviewed and approved the scope of internal audit work and its annual audit programme. Annually, the AC evaluates and is of the opinion that the Internal Audit function is independent, effective, and adequately resourced. Internal Audit has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC. It is free from any undue influence that would impair its ability to discharge its responsibilities objectively and has appropriate standing within the Group. All significant audit findings, recommendations made, and Management's responses thereto are reported to AC and Management. Significant issues are discussed at AC meetings. Internal Audit follows up on all recommendations to ensure that Management has implemented the recommendations in a timely manner and reports the results to the AC every quarter.

SIA's Internal Audit is a member of the Singapore Chapter of the Institute of Internal Auditors ("IIA") and meets the Standards for the Professional Practice of Internal Auditing set by the IIA, including its Code of Ethics. SIA's Internal Audit Division is adequately staffed by persons with relevant qualifications and experience. The professional competence of SIA's Internal Audit is maintained or upgraded through professional certifications, training programmes, conferences and seminars that provide updates on auditing techniques and regulations.

Quality assessment reviews are carried out at least once in five years by external qualified professionals. The last review was completed in FY2019/20. The results reaffirmed that the Internal Audit function is adequate and generally conforms with the IIA standards.

(H) Internal Review of Sustainability Reporting Processes

In accordance with Rule 711B of the SGX-ST Listing Manual, an external consultant was appointed to conduct a review of the sustainability reporting processes for identified key material topics in the FY2022/23 Sustainability Report.

The AC reviewed all significant audit findings reported, recommendations made, and Management's responses thereto. Internal Audit will follow up on all recommendations to ensure Management has implemented the recommendations in a timely manner, and will report the results to the AC.

(I) Control Self-Assessment

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

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS (PRINCIPLE 11)

ENGAGEMENT WITH SHAREHOLDERS (PRINCIPLE 12)

Singapore Airlines is committed to continually strengthen its relationship with the investing community and believes in timely and consistent disclosure of pertinent, price-sensitive and/or trade-sensitive information to enable a transparent assessment of the Company's value. The Company holds analyst and media briefings when announcing half-year and full-year results.

As Singapore progressively lifted COVID-19 curbs, the Company resumed physical briefings for analysts and media in May 2022 (for the FY2021/22 results) and in November 2022 (for the first half of FY2022/23 results). Overseas-based analysts and media were also able to join these briefings virtually. The audio webcasts were subsequently uploaded on the Company's website under the Investor Relations section. The Company published the transcripts of the Question and Answer segment on SGXNet and the Analyst Briefing webpage.

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

The Company values dialogue with the investing community, and the Investor Relations Department frequently engages with analysts and investors through conference calls and emails. The team also actively participates in investor conferences to keep the investing community abreast of relevant developments. A dedicated investor relations email address (investor-relations@singaporeair.com.sg) is maintained for shareholders or investors to reach out to the Company for queries.

The Company's commitment to corporate transparency and investor relations was also recognised in 2022 when Singapore Airlines received the 2021 ASEAN Corporate Governance Scorecard Award for the ASEAN Asset Class PLCs (Singapore) category.

Corporate Governance Report (Continued)

Conduct of General Meetings

All Board members attend the shareholders' meetings of the Company, whether in person or virtually. To foster deeper engagement with shareholders, the CEO presents an overview of the key strategies of the Company and other related matters at the start of shareholders' meetings, regardless whether such meetings are held physically or virtually. This enables shareholders to develop more informed views on matters affecting the Company. Shareholders are given the opportunity to raise questions prior to, and at, the meetings. Shareholders are also informed of the voting procedures in advance. The minutes of the last shareholders' meeting are made available on the Company's website within one month of the date of such meeting.

(A) Virtual Meetings

Due to the COVID-19 pandemic in Singapore, the annual general meetings for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022, as well as the extraordinary general meeting held on 30 April 2020 in relation to the proposed Renounceable Rights Issue and the Proposed Issuance of Additional Mandatory Convertible Bonds, were convened and held fully by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

During the annual general meeting in 2022, shareholders participated in the virtual meetings by observing and/or listening to the proceedings of the meeting via "live" audio-visual webcast or "live" audio-only stream. Shareholders submitted questions to the Chairman of the Meeting in advance of, or "live" at, the meeting. Shareholders were able to vote "live" during the meeting or appoint Chairman as proxy to vote on their behalf. The poll voting results were reviewed by the independent scrutineer engaged by the Company.

Answers to the shareholders' questions were posted on the Company's website and SGXNet before the shareholders' meeting. In addition, the minutes record substantial and relevant queries received from shareholders "live" at the meeting and responses given thereto by the Chairman, Board members and/or Management.

(B) Physical Meetings

Prior to the COVID-19 pandemic in Singapore, Board members together with Key Management Personnel were present in person at physical general meetings. To enhance transparency in the voting process, the Company has, since FY2008/09, implemented full poll voting for all the resolutions tabled at its shareholders' meetings. Singapore Airlines appoints an independent external party as scrutineer for the electronic poll voting process. Prior to the shareholders' meeting, the scrutineer reviews the proxies and electronic poll voting system, and attends the proxy verification process. This ensures that the proxy and poll voting information are compiled correctly.

The poll voting results, including the number and percentage of votes cast for and against each of the resolutions tabled at the shareholders' meeting, are presented to the shareholders. The poll voting results are filed with SGX on the same day as the meeting.

MANAGING STAKEHOLDERS RELATIONSHIPS ENGAGEMENT WITH STAKEHOLDERS (PRINCIPLE 13)

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

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

Other Matters

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

Membership and Attendance of Singapore Airlines Limited Board of Directors and Board Committee Members

For the period from 1 April 2022 to 31 March 2023

Further Information on Board of Directors

PETER SEAH LIM HUAT, aged 76

Non-executive and independent Director

Academic and Professional Qualifications:

Bachelor of Business Administration (Honours),
University of Singapore

Date of first appointment as a director:

1 September 2015

Date of appointment as Chairman:

1 January 2017

Date of last re-election as a director:

26 July 2022

Board Committee(s) Served on:

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

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. DBS Group Holdings Ltd	Chairman

Other Principal Commitments

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

Past Directorships/Principal Commitments Held Over the Preceding 5 Years

Organisation/Company	Title
1. Singapore Health Services Pte Ltd	Chairman

GOH CHOON PHONG, aged 59

Executive and non-independent Director

Academic and Professional Qualifications:

Master of Science in Electrical Engineering and Computer Science,
Bachelor of Science in Computer Science & Engineering,
Bachelor of Science in Management Science,
Bachelor of Science in Cognitive Science,
Massachusetts Institute of Technology, United States of America

Date of first appointment as a director:

1 October 2010

Date of last re-election as a director:

27 July 2020

Board Committee(s) Served on:

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

Current Directorships in Other Listed Companies

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

Other Principal Commitments

Organisation/Company	Title
1. Budget Aviation Holdings Pte. Ltd.	Chairman
2. Association of Asia Pacific Airlines	Chairman and Board Executive Committee Member
3. National University of Singapore	Member, Board of Trustees
4. Massachusetts Institute of Technology Presidential CEO Advisory Board	Member

Past Directorships/Principal Commitments Held Over the Preceding 5 Years

Organisation/Company	Title
1. International Air Transport Association	Member, Board of Governors

GAUTAM BANERJEE, aged 68

Non-executive and non-independent Director

Academic and Professional Qualifications:

Bachelor of Science in Accounting and Financial Analysis,
University of Warwick, United Kingdom
 Fellow of the Institute of Chartered Accountants,
England and Wales
 Fellow of the Institute of Chartered Accountants, *Singapore*

Date of first appointment as a director:

1 January 2013

Date of last re-election as a director:

29 July 2021

Board Committee(s) Served on:

Board Audit Committee	Member
Board Executive Committee	Member

SIMON CHEONG SAE PENG, aged 66

Non-executive and independent Director

Academic and Professional Qualifications:

Master of Business Administration in Finance and Investments,
George Washington University, United States of America
 Bachelor of Science in Civil Engineering,
University of Washington, United States of America

Date of first appointment as a director:

1 June 2017

Date of last re-election as a director:

26 July 2022

Board Committee(s) Served on:

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

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. Singapore Telecommunications Limited	Director

Other Principal Commitments

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

Past Directorships/Principal Commitments Held Over the Preceding 5 Years

Organisation/Company	Title
1. Listings Advisory Committee, Singapore Exchange	Chairman
2. Singapore Centre for Social Enterprise Ltd (raiSE)	Chairman
3. BTO LT Hold Pty Ltd	Director
4. Defence Science and Technology Agency	Director
5. EDBI Pte Ltd	Director
6. Piramal Enterprises Limited, India*	Director
7. The Indian Hotels Company Limited*	Director
8. Singapore Legal Service Commission	Director
9. Nanyang Business School	Member, Advisory Board
10. Yale-NUS College	Member, Governing Board

* Listed Company

Further Information on Board of Directors (Continued)

DAVID JOHN GLEDHILL, aged 61

Non-executive and independent Director

Academic and Professional Qualifications:

Bachelor of Science in Computing and Electronics,
University of Durham, United Kingdom

Date of first appointment as a director:

1 September 2018

Date of last re-election as a director:

26 July 2022

Board Committee(s) Served on:

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

Principal Commitments

Organisation/Company	Title
1. Quark Consulting Ltd	Director
2. National University of Singapore Institute of Systems Science	Board Member
3. Syngnum Bank AG	Technology Advisor
4. Singapore Ministry of Finance ICT Advisory Panel	Advisory Committee Member
5. McKinsey & Company	Senior Advisor (re-appointed in 2023)

Past Directorships/Principal Commitments Held Over the Preceding 5 Years

Organisation/Company	Title
1. DBS Bank Ltd	Group Chief Information Officer and Head of Group Technology & Operations
2. Lloyds Banking Group	Group Chief Operating Officer
3. Singapore Clearing House Pte Ltd	Director
4. ANZ Bank	Board Advisor
5. Singapore Management University School of Information Systems	Board Advisor
6. Bank of Ireland	Technology Advisor
7. Bank of New Zealand	Technology Advisor
8. IBM Board of Advisors	Member
9. National Super Computing Centre Steering Committee	Member
10. National University of Singapore School of Computing	Advisory Committee Member
11. Singapore Clearing House Association	Committee Member

GOH SWEE CHEN, aged 62

Non-executive and independent Director

Academic and Professional Qualifications:

Master of Business Administration,
University of Chicago, United States of America
Bachelor of Science in Information Science,
Victoria University of Wellington, New Zealand

Date of first appointment as a director:

1 January 2019

Date of last re-election as a director:

26 July 2022

Board Committee(s) Served on:

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

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. Woodside Petroleum Ltd	Director

Other Principal Commitments

Organisation/Company	Title
1. Institute for Human Resource Professionals Limited	Chairperson
2. National Arts Council	Chairperson
3. Nanyang Technological University	Chairperson
4. Global Compact Network Singapore	President
5. Carbon Solutions Holdings Pte Ltd	Director
6. Carbon Solutions Investments Pte Ltd	Director
7. Carbon Solutions Platform Pte Ltd	Director
8. Carbon Solutions Services Pte Ltd	Director
9. JTC Corporation	Director
10. Resilience Collective Ltd	Director
11. Singapore Power Limited	Director
12. Legal Service Commission	Member
13. Singapore Research, Innovation and Enterprise Council	Member
14. Centre for Liveable Cities Advisory Panel	Member

Past Directorships/Principal Commitments Held Over the Preceding 5 Years

Organisation/Company	Title
1. Shell group of companies in Singapore	Chairperson
2. Singapore National Employers Federation	Vice President
3. CapitaLand Investment Limited*	Director
4. CapitaLand Limited (now known as CapitaLand Group Pte. Ltd.)**	Director
5. Human Capital Leadership Institute Pte Ltd	Director
6. Centre for Liveable Cities Limited	Director
7. Singapore University of Technology & Design	Trustee

* Listed Company

** Delisted from the official list of the Singapore Exchange Securities Trading Limited on 21 September 2021.

DOMINIC HO CHIU FAI, ^{aged 72}
Non-executive and independent Director

Academic and Professional Qualifications:

Master of Science,
Bachelor of Business Administration,
University of Houston, United States of America

Date of first appointment as a director:

1 May 2017

Date of last re-election as a director:

29 July 2021

Board Committee(s) Served on:

Board Safety and Risk Committee	Chairman
Board Audit Committee	Member

HSIEH TSUN-YAN, ^{aged 70}
Non-executive and non-independent Director

Academic and Professional Qualifications:

Master of Business Administration,
Harvard University, United States of America
Bachelor of Science in Mechanical Engineering,
University of Alberta, Canada

Date of first appointment as a director:

1 September 2012

Date of last re-election as a director:

27 July 2020

Board Committee(s) Served on:

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

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. Hang Lung Properties Limited	Director

Other Principal Commitments

Organisation/Company	Title
1. DBS Bank (Hong Kong) Limited	Director

Past Directorships/Principal Commitments Held Over the Preceding 5 Years

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

Current Directorships in Other Listed Companies

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

Other Principal Commitments

Organisation/Company	Title
1. LinHart Group Pte Ltd	Chairman and Lead Counselor
2. Singapore Institute of Management Group Limited	Vice Chairman and Director
3. Singapore Health Services Pte Ltd	Director
4. The Manufacturers Life Insurance Company	Director
5. Lee Kuan Yew School of Public Policy, Singapore	Professor (Practice)
6. National University of Singapore Business School	Professor (Practice)

Past Directorships/Principal Commitments Held Over the Preceding 5 Years

Organisation/Company	Title
1. Manulife US Real Estate Management Pte. Ltd.	Chairman
2. Dyson Holdings Pte. Ltd.	Director
3. Duke-NUS Medical School, Singapore	Member, Governing Board
4. National University of Singapore Business School	Member, Management Advisory Board
5. Institute of Policy Studies Academic Panel, Singapore	Member

Further Information on Board of Directors (Continued)

LEE KIM SHIN, aged 62

Non-executive and independent Director

Academic and Professional Qualifications:

Bachelor of Laws (Honours),
National University of Singapore

Date of first appointment as a director:

1 September 2016

Date of last re-election as a director:

29 July 2021

Board Committee(s) Served on:

Board Nominating Committee	Member
Board Safety and Risk Committee	Member

JEANETTE WONG KAI YUAN, aged 63

Non-executive and independent Director

Academic and Professional Qualifications:

Master of Business Administration,
University of Chicago, United States of America
Bachelor of Business Administration,
National University of Singapore

Date of first appointment as a director:

1 June 2021

Date of last re-election as a director:

29 July 2021

Board Committee(s) Served on:

Board Audit Committee	Member
Board Compensation and Industrial Relations Committee	Member

Principal Commitments

Organisation/Company	Title
1. Allen & Gledhill LLP	Counsel
2. Epimetheus Limited	Director
3. Goh Foundation Limited	Director
4. Singapore Institute of Legal Education	Director
5. Singapore Power Limited	Director
6. Duke-NUS Medical School, Singapore	Member, Governing Board

Past Directorships/Principal Commitments Held Over the Preceding 5 Years

Organisation/Company	Title
1. Allen & Gledhill Regulatory & Compliance Pte Ltd	Chairman
2. Eastern Development Holdings Pte. Ltd.	Director
3. Eastern Development Private Limited	Director
4. Singapore Institute of Directors	Member, Governing Council
5. Yellow Ribbon Fund	Member

Current Directorships in Other Listed Companies

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

Other Principal Commitments

Organisation/Company	Title
1. UBS AG	Director
2. PSA International Pte Ltd	Director
3. JTC Corporation	Director
4. NUS Business School	Chairperson, Management Advisory Board
5. National University of Singapore	Member, Board of Trustees
6. Securities Industry Council	Member
7. CareShield Life Council	Chairperson

Past Directorships/Principal Commitments Held Over the Preceding 5 Years

Organisation/Company	Title
1. EssilorLuxottica, France*	Director
2. FFMC Holdings Pte. Ltd.	Director
3. Fullerton Fund Management Company Ltd	Director
4. University of Chicago Booth School of Business	Advisory Member, Asia Cabinet of the Global Advisory Board

* Listed Company

YEOH OON JIN, aged 62

Non-executive and independent Director

Academic and Professional Qualifications:

Bachelor of Commerce (Accounting),
University of Birmingham, United Kingdom
 Fellow of the Institute of Chartered Accountants,
England and Wales
 Fellow of the Institute of Chartered Accountants,
Singapore

Date of first appointment as a director:

1 August 2021

Date of last re-election as a director:

26 July 2022

Board Committee(s) Served on:

Board Audit Committee Chairman

Current Directorships in Other Listed Companies

Organisation/Company	Title	
1. Singapore Exchange Limited	Director	
Other Principal Commitments		
Organisation/Company	Title	
1. Singapore Land Authority	Chairman	
2. Singapore Business Federation	Vice Chairman	
3. Singapore Institute of Directors	Vice Chairman	
4. Singapore Health Services Pte Ltd	Director	
5. Trust Bank Singapore Limited	Director	
6. Kidney Dialysis Foundation	Director	
7. Lien Foundation	Independent Governor	
8. Monetary Authority of Singapore - Corporate Governance Advisory Committee	Member	
9. Singapore Institute of International Affairs Endowment Fund	Trustee	
12. PwC International Assignment Services Holdings Pte Ltd	Director	
13. PricewaterhouseCoopers WMS Holdings Pte Ltd	Director	
14. PricewaterhouseCoopers WMS Pte Ltd	Director	
15. PricewaterhouseCoopers Consulting Holdings (S) Pte Ltd	Director	
16. PricewaterhouseCoopers Consulting (Singapore) Pte Ltd	Director	
17. PricewaterhouseCoopers Consulting (Myanmar) Pte Ltd	Director	
18. PwC Consulting Services (M) Sdn Bhd	Director	
19. PwC Consulting Associates (M) Sdn Bhd	Director	
20. PwC Consulting Myanmar Co. Limited	Director	
21. PT PricewaterhouseCoopers Consulting Indonesia	Director	
22. PricewaterhouseCoopers Consulting (Thailand) Ltd	Director	
23. PricewaterhouseCoopers Consulting (Vietnam) Limited	Director	
24. PricewaterhouseCoopers ASEANZ Pty Limited	Director	
25. Shared Services for Charities Ltd	Director	
26. Singapore Institute of International Affairs	Council Member	

Past Directorships/Principal Commitments Held Over the Preceding 5 Years

Organisation/Company	Title
1. Singapore Press Holdings Limited*	Director
2. JTC Corporation	Director
3. PricewaterhouseCoopers LLP	Executive Chairman and Partner
4. PricewaterhouseCoopers Services LLP	Partner
5. PricewaterhouseCoopers Singapore Pte Ltd	Director
6. PricewaterhouseCoopers GHRS Pte Ltd	Director
7. PricewaterhouseCoopers Nominees Pte Ltd	Director
8. PricewaterhouseCoopers CM Services Pte Ltd	Director
9. PricewaterhouseCoopers Business Advisory Services Pte Ltd	Director
10. PricewaterhouseCoopers Holdings Singapore No. 1 Pte. Ltd.	Director
11. PricewaterhouseCoopers Holdings Singapore No. 2 Pte. Ltd.	Director

* Listed company

Financial Report

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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	-	-	-
Yeoh Oon Jin	-	-	\$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	-	-
Yeoh Oon Jin	-	-	\$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	-	-
Yeoh Oon Jin	-	-	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 [#]
Yeoh Oon Jin	-	-	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

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

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

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

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

As a result of the high degree of estimation uncertainty and significant judgement involved, this is a key area of focus for our audit.

How the matter was addressed in our audit

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

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

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

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

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

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

We checked the arithmetical accuracy of the computations used in assessing the recoverable 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

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.

How the matter was addressed 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)

	Notes	The Group	
		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)

	Notes	The Group 31 March 2023	The Group 31 March 2022	The Company 31 March 2023	The Company 31 March 2022
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
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
		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
LONG-TERM LEASE LIABILITIES					
BORROWINGS	18	3,560.6	3,114.8	2,363.7	2,387.4
OTHER LONG-TERM LIABILITIES	19	8,613.7	11,405.5	8,408.0	11,155.5
PROVISIONS	20	381.9	1,077.7	381.9	1,077.7
DEFINED BENEFIT PLANS		1,047.1	1,144.4	524.7	503.1
		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
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-	-	-	-	(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

Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non-controlling interests	Total equity
(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
<hr/>							
-	-	-	-	-	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)

	Notes	The Group	
		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
Writtenown 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Company Operational Performance Scorecard ("COPS") with operational focus dealing with Covid-19 response and recovery 	0% - 150%*
PSP	<ul style="list-style-type: none"> Based on meeting stated performance conditions over a three-year performance period. 	<ul style="list-style-type: none"> Absolute Total Shareholder Return ("TSR") outperform Cost of Equity Relative TSR against selected airline peer index companies 	0% - 200%*
SSA	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 1 April 2022/ date of grant	Adjustment	Vested	Balance at 31 March 2023
RSP				
19.07.2019	179,950	-	(179,950)	-
16.07.2020	893,076	-	(460,228)	432,848
15.07.2021	1,640,725	463,875 [#]	(745,220)	1,359,380
14.07.2022	1,856,506	-	-	1,856,506
	4,570,257	463,875	(1,385,398)	3,648,734
PSP				
19.07.2019	608,880	(150,290) [#]	(458,590)	-
16.07.2020	605,600	-	-	605,600
15.07.2021	717,293	-	-	717,293
14.07.2022	666,516	-	-	666,516
	2,598,289	(150,290)	(458,590)	1,989,409
Transformation Share Award ("TSA")				
19.07.2019	13,500	10,800 [^]	(24,300)	-
	13,500	10,800	(24,300)	-
SSA				
16.07.2020	239,000	191,200 [^]	(430,200)	-
05.02.2021	19,650	-	(9,825)	9,825
15.07.2021	410,150	-	(205,075)	205,075
14.07.2022	964,900	-	(482,450)	482,450
23.12.2022	36,300	-	-	36,300
	1,670,000	191,200	(1,127,550)	733,650

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

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

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

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
Written down 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)
Reflecting 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	-
	<u>(127.3)</u>	<u>237.6</u>

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
	<u>2,668.0</u>	<u>(973.9)</u>
Taxation at statutory corporate tax rate of 17.0%	453.6	(165.6)
<u>Adjustments for:</u>		
Income not subject to tax	(13.2)	(48.5)
Expenses not deductible for tax purposes	86.5	30.0
Higher effective tax rates of other countries	7.4	1.0
Over provision in respect of prior years, net	(36.3)	(36.8)
Tax benefits not recognised	6.7	70.9
Previously unrecognised tax benefits	(19.4)	-
Others	(11.8)	7.1
Taxation	<u>473.5</u>	<u>(141.9)</u>

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	-

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
<u>Current Liabilities - Borrowings</u>				
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
<u>Non-current Liabilities - Borrowings</u>				
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
<u>SGD10 Billion Multicurrency Medium Term Note Programme</u>							
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
<u>SGD2 Billion Medium Term Bond Programme</u>							
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

Type	Currency	Interest rate per annum	Year of maturity	Face value	Carrying value	31 March 2023	31 March 2022
<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	Face value	Carrying value	31 March 2023	31 March 2022
<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		The Company	
	31 March	31 March	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
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-	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
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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
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-	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
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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 DFASST 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				
NexGen Network(1) Holding Pte. Ltd. ⁽⁵⁾	Engineering services	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				
Scoot Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100.0	100.0
Roar Aviation Pte. Ltd. ⁽¹⁾	Air transportation	Singapore	100.0	100.0
	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		The Company	
	31 March	31 March	31 March	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:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group	
			31 March 2023	2022
Held by the Company				
TATA SIA Airlines Limited ⁽⁴⁾	Domestic and international full service scheduled passenger airlines services	India	49.0	49.0
Airbus Asia Training Centre Pte. Ltd. ^{(5)(b)}	Flight training services	Singapore	45.0	45.0
Ritz-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. ^{(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)

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group	
			31 March 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		ESA	
	31 March		31 March	
	2023	2022	2023	2022
Current assets	713.0	363.0	912.1	703.4
Non-current assets	2,914.7	2,401.9	119.7	135.0
Total assets	3,627.7	2,764.9	1,031.8	838.4
Current liabilities	(816.4)	(595.1)	(474.9)	(303.0)
Non-current liabilities	(2,730.0)	(1,946.2)	(15.1)	(18.0)
Total liabilities	(3,546.4)	(2,541.3)	(490.0)	(321.0)
Net assets	81.3	223.6	541.8	517.4
Share of net assets	39.8	109.6	265.5	253.5

Summarised statement of comprehensive income

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

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

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

Summarised statement of comprehensive income

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

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:

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group 31 March	
			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		The Company	
	31 March	2022	31 March	2022
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		The Company	
	31 March	2022	31 March	2022
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		The Company	
	31 March		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		The Company	
	31 March		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
<u>Quoted</u>				
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.

The Group	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
<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
<u>31 March 2023</u>					
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
<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

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
<u>Derivative assets</u>				
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
<u>Derivative liabilities</u>				
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 FY2022/23	The Company FY2021/22	The Group FY2022/23	The Company 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	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}	2022
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	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}	2022
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	
	FY2021/22	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	
	FY2021/22	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.

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

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

	1 April 2021	Non-cash changes						31 March 2022
		Proceeds	Repayments	Interest payments	Interest expense	Foreign exchange movement	Additions	
Notes payable	5,045.7	811.3	(200.0)	-	1.7	(3.0)	-	-
Convertible bonds	767.7	-	-	-	15.4	-	-	-
Loans	5,658.5	6.9	(697.8)	-	3.9	(50.2)	652.2	-
Lease liabilities	2,865.0	-	(677.4)	-	136.7	18.7	1,339.5	-
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		The Company	
	31 March		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)¹

Name of participant	Balance as at 1 April 2022	Final Awards granted during the financial year¹	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 review²
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

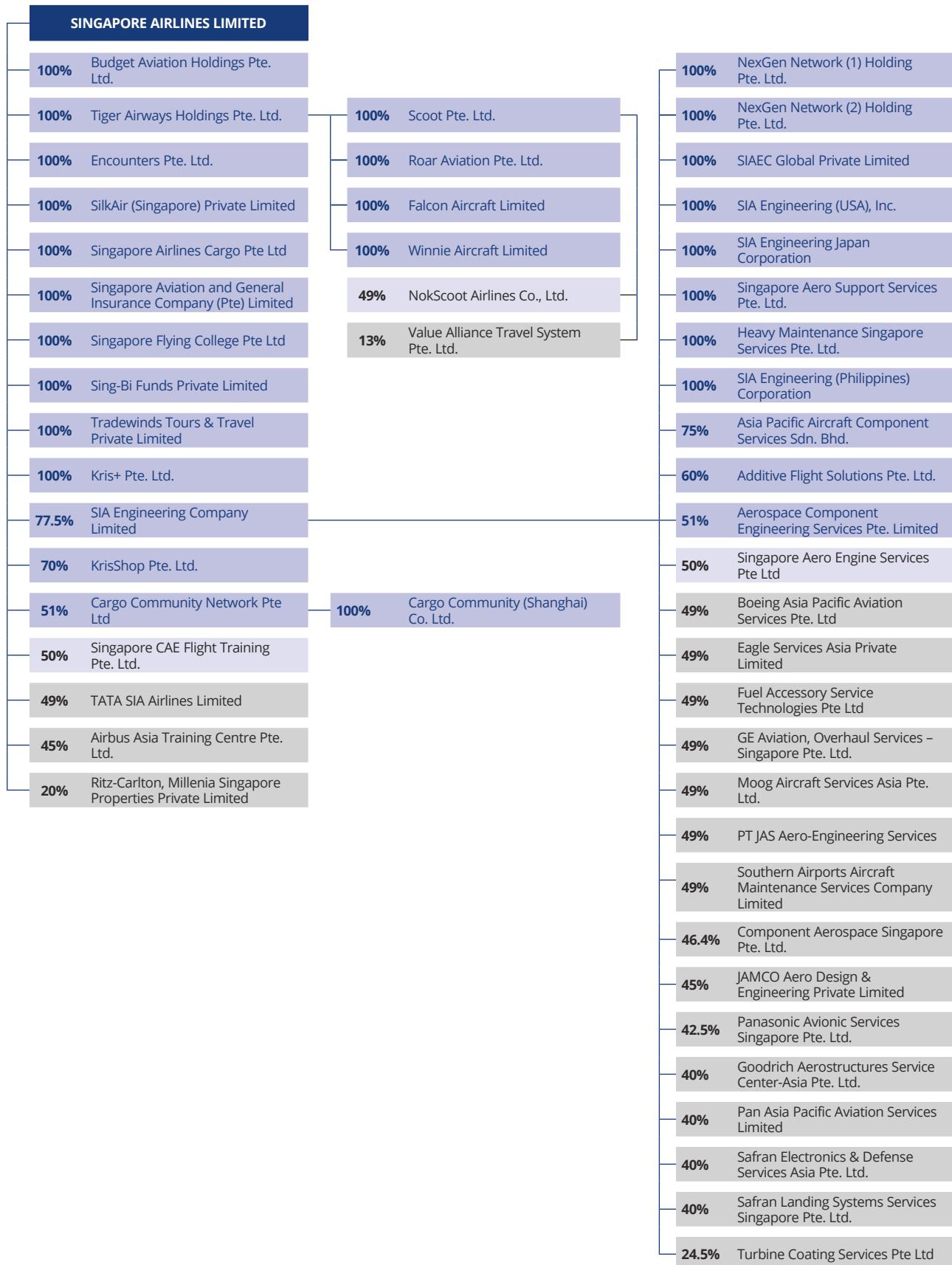
45 Subsequent Events

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.

Group Corporate Structure

As At 31 March 2023



Quarterly Results of the Group

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
TOTAL REVENUE						
2022/23	(\$ million)	3,928.2	4,488.3	4,846.4	4,511.9	17,774.8
2021/22	(\$ million)	1,294.4	1,532.5	2,316.0	2,471.9	7,614.8
TOTAL EXPENDITURE						
2022/23	(\$ million)	3,371.8	3,810.3	4,091.4	3,809.2	15,082.7
2021/22	(\$ million)	1,568.8	1,877.5	2,239.7	2,538.5	8,224.5
OPERATING PROFIT/(LOSS)						
2022/23	(\$ million)	556.4	678.0	755.0	702.7	2,692.1
2021/22	(\$ million)	(274.4)	(345.0)	76.3	(66.6)	(609.7)
PROFIT/(LOSS) BEFORE TAXATION						
2022/23	(\$ million)	440.2	642.9	801.5	752.2	2,636.8
2021/22	(\$ million)	(444.9)	(502.7)	93.7	(236.1)	(1,090.0)
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY						
2022/23	(\$ million)	370.4	556.5	628.0	601.9	2,156.8
2021/22	(\$ million)	(409.2)	(427.6)	84.7	(209.9)	(962.0)
EARNINGS/(LOSS) PER SHARE						
- BASIC						
2022/23	(cents)	5.8	8.6	10.3	11.6	35.6
2021/22	(cents)	(9.2)	(6.6)	1.3	(3.3)	(16.2)
EARNINGS/(LOSS) PER SHARE						
- ADJUSTED BASIC^{R1}						
2022/23	(cents)	12.5	18.7	21.1	20.3	72.6
2021/22	(cents)	(13.8)	(14.4)	2.9	(7.1)	(32.4)
EARNINGS/(LOSS) PER SHARE						
- DILUTED						
2022/23	(cents)	5.7	8.5	10.1	11.4	35.1
2021/22	(cents)	(9.2)	(6.6)	1.3	(3.3)	(16.2)

^{R1} Earnings/(Loss) per share (adjusted basic) is computed by dividing profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, assuming the redemption of all mandatory convertible bonds.

Five-Year Financial Summary of the Group

	2022/23	2021/22	2020/21	2019/20	2018/19
PROFIT AND LOSS ACCOUNT (\$ million)					
Total revenue	17,774.8	7,614.8	3,815.9	15,975.9	16,323.2
Total expenditure	(15,082.7)	(8,224.5)	(6,328.4)	(15,916.8)	(15,256.1)
Operating profit/(loss)	2,692.1	(609.7)	(2,512.5)	59.1	1,067.1
Finance charges	(419.9)	(391.6)	(267.9)	(220.9)	(116.1)
Interest income	412.6	45.9	35.4	42.1	41.9
(Loss)/Surplus on disposal of aircraft, spares and spare engines	(7.3)	85.9	(27.0)	6.9	(5.8)
Dividend from long-term investments	4.0	4.0	8.4	3.2	3.1
Other non-operating items	(13.5)	(108.4)	(2,080.8)	(31.9)	(47.4)
Share of profits of joint venture companies	31.8	29.8	14.0	46.4	23.2
Share of losses of associated companies	(63.0)	(145.9)	(126.8)	(125.1)	(97.4)
Profit/(Loss) before taxation	2,636.8	(1,090.0)	(4,957.2)	(220.2)	868.6
Profit/(Loss) attributable to owners of the Company	2,156.8	(962.0)	(4,270.7)	(212.0)	682.7
STATEMENT OF FINANCIAL POSITION (\$ million)					
Share capital	7,180.2	7,180.2	7,180.2	1,856.1	1,856.1
Mandatory convertible bonds	6,195.1	9,691.2	3,496.1	-	-
Treasury shares	(73.8)	(106.5)	(133.2)	(156.0)	(171.5)
Capital reserve	(116.0)	(107.3)	(96.8)	(112.7)	(124.3)
Foreign currency translation reserve	(32.4)	(16.2)	(16.9)	(5.3)	(33.2)
Share-based compensation reserve	24.3	20.7	20.8	25.7	24.9
Fair value reserve	506.9	1,076.2	(178.6)	(2,150.9)	459.7
General reserve	6,174.0	4,673.6	5,634.3	9,857.2	11,275.1
Equity attributable to owners of the Company	19,858.3	22,411.9	15,905.9	9,314.1	13,286.8
Non-controlling interests	391.5	388.5	372.2	418.6	396.4
Total equity	20,249.8	22,800.4	16,278.1	9,732.7	13,683.2
Property, plant and equipment	23,832.5	24,570.6	23,483.3	25,485.8	22,176.3
Right-of-use assets ^{R1}	3,854.5	3,290.1	2,395.7	1,477.7	-
Intangible assets	297.5	303.2	301.1	487.0	451.3
Associated companies	757.3	805.8	833.1	817.0	1,104.5
Joint venture companies	265.0	233.4	200.2	191.5	171.7
Long-term investments	39.4	42.6	49.9	65.2	343.9
Other non-current assets	755.7	1,737.2	646.0	345.7	757.8
Current assets	19,299.3	17,688.1	9,672.0	4,842.9	5,499.7
Total assets	49,101.2	48,671.0	37,581.3	33,712.8	30,505.2
Deferred account	55.8	95.4	41.0	33.3	83.9
Deferred taxation	1,430.2	1,064.3	1,032.5	1,335.3	2,040.3
Lease liabilities ^{R1}	4,177.9	3,682.5	2,865.0	1,960.6	-
Other non-current liabilities	10,133.9	13,727.5	12,142.9	10,141.8	7,319.4
Current liabilities	13,053.6	7,300.9	5,221.8	10,509.1	7,378.4
Total liabilities	28,851.4	25,870.6	21,303.2	23,980.1	16,822.0
Net assets	20,249.8	22,800.4	16,278.1	9,732.7	13,683.2
CASH FLOW (\$ million)					
Cash flow from operations	9,135.3	3,049.8	(3,274.8)	2,751.7	2,827.4
Internally generated cash flow ^{R2}	10,396.0	4,142.4	(1,848.4)	3,077.2	3,115.8
Capital expenditure	1,601.8	3,048.7	2,695.5	5,103.5	5,562.3

Five-Year Financial Summary of the Group

	2022/23	2021/22	2020/21	2019/20	2018/19
PER SHARE DATA					
Earnings/(Loss) - basic (cents)	35.6	(16.2)	(102.6)	(11.2)	57.7
Earnings/(Loss) - adjusted basic (cents) ^{R3}	72.6	(32.4)	(144.0)	(11.2)	-
Earnings/(Loss) - diluted (cents)	35.1	(16.2)	(102.6)	(11.3)	57.4
Cash earnings (\$) ^{R4}	0.69	0.18	(0.04)	1.06	1.75
Net asset value (\$)	6.68	7.55	5.36	7.86	11.22
Adjusted net asset value (\$) ^{R5}	3.72	3.40	3.60	7.86	-
SHARE PRICE (\$) ^{R6}					
High	6.02	5.78	5.75	9.98	11.84
Low	4.99	4.41	3.20	5.28	9.14
Closing	5.73	5.50	5.55	5.74	9.66
DIVIDENDS					
Gross dividends (cents per share)	38.0	-	-	8.0	30.0
Dividend cover (times)	1.9	-	-	(2.2)	1.9
PROFITABILITY RATIOS (%)					
Return on equity holders' funds ^{R7}	10.2	(5.0)	(33.9)	(1.9)	5.2
Return on total assets ^{R8}	4.4	(2.2)	(12.0)	(0.5)	2.6
Return on turnover ^{R9}	12.2	(12.5)	(112.3)	(1.1)	4.4
PRODUCTIVITY AND EMPLOYEE DATA					
Value added (\$ million)	8,154.6	2,820.1	592.9	4,775.3	5,314.3
Value added per employee (\$) ^{R10}	357,360	126,951	23,208	172,899	200,283
Revenue per employee (\$) ^{R10}	778,947	342,793	149,368	578,439	615,181
Average employee strength	22,819	22,214	25,547	27,619	26,534
SGD per USD exchange rate as at 31 March	1.3295	1.3533	1.3453	1.4243	1.3551

^{R1} With effect from 1 April 2019, the Group adopted IFRS 16 Leases, a single, on-balance sheet lease accounting model for leases. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

^{R2} Internally generated cash flow comprises cash generated from operations, dividends from associated and joint venture companies, proceeds from sale of aircraft and other property, plant and equipment and proceeds from sales and leaseback transactions.

^{R3} Earnings/(Loss) per share (adjusted basic) is computed by dividing profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue less treasury shares, assuming the redemption of all mandatory convertible bonds.

^{R4} Cash earnings is defined as profit/(loss) attributable to owners of the Company plus depreciation, amortisation and impairment.

^{R5} 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.

^{R6} Quoted share prices are accurate as at the respective financial year end. Prior year share prices not adjusted for rights-issuance or other corporate actions.

^{R7} Return on equity holders' funds is the profit/(loss) attributable to owners of the Company expressed as a percentage of the average equity holders' funds.

^{R8} Return on total assets is the profit/(loss) after tax expressed as a percentage of the average total assets.

^{R9} Return on turnover is the profit/(loss) after tax expressed as a percentage of the total revenue.

^{R10} Based on average employee strength.

Ten-Year Statistical Record

		2022/23	2021/22	2020/21 ^{R1}	2019/20	2018/19	2017/18 ^{R2}	2016/17	2015/16	2014/15	2013/14
SINGAPORE AIRLINES (AND SILKAIR)											
FINANCIAL											
Total revenue	(\$ million)	15,590.1	7,068.1	3,478.0	13,012.7	13,144.2	12,807.5	11,094.2	11,686.1	12,418.4	12,479.7
Total expenditure	(\$ million)	12,988.9	7,180.0	5,399.0	12,718.5	12,153.7	11,469.4	10,707.8	11,201.0	12,078.2	12,224.1
Operating profit/(loss)	(\$ million)	2,601.2	(111.9)	(1,921.0)	294.2	990.5	1,338.1	386.4	485.1	340.2	255.6
Profit/(Loss) before taxation	(\$ million)	2,724.9	(377.4)	(3,777.7)	(290.3)	938.8	1,529.0	579.3	766.2	563.1	536.4
Profit/(Loss) after taxation	(\$ million)	2,218.9	(314.0)	(3,183.0)	(283.5)	779.1	1,324.6	514.0	672.0	540.3	538.5
Capital disbursements ^{R3}	(\$ million)	2,243.6	3,605.5	2,692.8	4,859.1	5,005.2	4,358.1	3,425.5	2,309.0	1,788.5	2,251.1
Passenger - yield	(cents/pkm)	12.7	13.1	21.1	10.0	10.1	10.2	10.3	10.6	11.2	11.1
- RASK	(cents/ask)	10.9	4.3	2.9	8.2	8.4	8.3	8.2	8.4	8.8	8.8
- unit cost	(cents/ask)	9.8	8.0	12.5	8.0	8.3	8.1	8.3	8.5	8.9	9.1
Cargo	- yield	(cents/ltk)	68.5	73.0	65.9	30.5	31.7	30.0	25.9	29.0	32.8
	- unit cost	(cents/ctk)	24.9	27.2	32.3	16.4	16.5	16.2	16.8	18.9	21.4
Overall	- yield	(cents/ltk)	110.0	88.3	75.0	77.0	76.3	74.3	-	-	-
	- unit cost	(cents/ctk)	63.2	50.3	58.2	50.5	50.9	49.1	-	-	-
OPERATING FLEET											
Aircraft (Passenger)	(numbers)	133	123	114	122	121	107	106	102	105	103
Average age (Passenger)	(months)	74	67	61	65	79	88	92	89	85	81
Freighter	(numbers)	7	7	7	7	7	7	7	9	8	9
Average age (Freighter)	(months)	232	220	208	196	184	172	160	164	150	147
PRODUCTION											
Destination cities (Passenger)	(numbers)	74	69	50	66	63	62	61	60	60	62
Distance flown (Passenger)	(million km)	386.0	222.6	74.5	433.6	420.9	402.9	388.6	382.3	384.4	392.2
Time flown (Passenger)	(hours)	535,637	349,744	166,935	562,965	551,559	529,907	512,439	506,757	508,591	517,987
Overall capacity	(million tonne-km)	20,090.9	13,294.7	6,821.0	23,745.0	23,694.6	23,043.3	-	-	-	-
Passenger capacity	(million seat-km)	106,099.3	58,748.1	19,493.0	127,165.8	123,486.2	118,126.7	117,662.3	118,366.5	120,000.8	120,502.8
Cargo gross capacity	(million tonne-km)	9,165.4	7,195.3	4,795.1	10,778.2	11,210.4	11,126.7	10,912.3	10,513.3	10,024.9	10,273.6
TRAFFIC											
Passengers carried	('000)	18,155	3,388	514	20,906	20,738	19,505	18,990	19,029	18,737	18,628
Revenue passenger-km	(million)	91,025.2	19,177.7	2,669.0	104,134.6	102,571.9	95,855.0	92,913.8	94,267.4	94,209.2	95,064.3
Passenger load factor	(%)	85.8	32.6	13.7	81.9	83.1	81.1	79.0	79.6	78.5	78.9
Cargo and mail carried	(million kg)	923.0	1,046.0	734.0	1,205.0	1,298.3	1,301.2	1,248.1	1,170.1	1,124.0	1,117.8
Cargo load	(million tonne-km)	5,260.8	5,941.0	4,111.9	6,389.2	7,006.5	7,260.3	6,895.8	6,510.9	6,347.2	6,419.3
Cargo load factor	(%)	57.4	82.6	85.8	59.3	62.5	65.3	63.2	61.9	63.3	62.5
Overall load	(million tonne-km)	13,760.9	7,752.5	4,363.5	16,039.3	16,520.2	16,150.8	-	-	-	-
Overall load factor	(%)	68.5	58.3	64.0	67.5	69.7	70.1	-	-	-	-
STAFF											
Average strength	(numbers)	14,803	14,526	16,772	16,760	15,943	15,620	14,423	13,983	14,040	14,240
Capacity per employee ^{R4}	(tonne-km)	1,357,217	915,235	406,688	1,416,772	1,486,207	1,475,242	-	-	-	-
Revenue per employee	(\\$)	1,053,172	486,583	207,369	776,414	824,450	819,942	769,202	835,736	884,501	876,383
Value added per employee	(\\$)	481,159	191,044	48,307	201,348	258,634	286,530	246,183	261,861	242,970	242,184

Ten-Year Statistical Record

		2022/23	2021/22	2020/21 ^{R1}	2019/20	2018/19	2017/18 ^{R2}	2016/17	2015/16	2014/15	2013/14
SILKAIR											
Passengers carried	('000)	-	-	-	4,440	4,902	4,687	4,106	3,836	3,553	3,411
Revenue passenger-km	(million)	-	-	-	8,195.4	8,940.3	8,343.5	7,138.0	6,516.2	5,864.9	5,516.1
Available seat-km	(million)	-	-	-	10,599.6	11,731.8	11,365.9	10,086.3	9,117.8	8,355.2	7,926.9
Passenger load factor	(%)	-	-	-	77.3	76.2	73.4	70.8	71.5	70.2	69.6
Passenger yield	(cents/pkm)	-	-	-	10.7	10.9	11.5	13.0	13.5	13.9	13.7
Revenue per available seat-km	(cents/ask)	-	-	-	8.2	8.3	8.4	9.2	9.6	9.8	9.5
Passenger unit cost	(cents/ask)	-	-	-	8.5	8.5	8.4	8.6	9.0	9.7	9.8
SCOOT^{R5}											
Passengers carried	('000)	8,331	502	82	10,454	10,455	9,467	8,503	7,540	7,018	-
Revenue passenger-km	(million)	22,602.9	1,486.8	221.6	28,668.5	29,325.9	25,599.8	22,083.8	18,225.0	16,415.0	-
Available seat-km	(million)	26,932.6	9,822.2	2,228.2	33,445.8	34,388.6	29,888.4	26,792.8	21,732.8	19,983.0	-
Passenger load factor	(%)	83.9	15.1	9.9	85.7	85.3	85.7	82.4	83.9	82.1	-
Passenger yield	(cents/pkm)	8.2	20.0	55.0	5.6	5.7	5.8	5.9	6.3	6.3	-
Revenue per available seat-km	(cents/ask)	6.9	3.0	5.5	4.8	4.9	5.0	4.8	5.3	5.2	-
Cost per available seat-km	(cents/ask)	6.5	7.7	19.9	5.4	5.2	4.9	4.8	5.3	5.9	-
GROUP AIRLINES (PASSENGERS)											
Passengers carried	('000)	26,486	3,890	596	35,800	36,095	33,659	31,599	30,405	29,308	22,039
Revenue passenger-km	(million)	113,628.1	20,664.5	2,890.6	140,998.5	140,838.1	129,798.3	122,135.6	119,008.6	116,489.1	100,580.4
Available seat-km	(million)	133,031.9	68,570.3	21,721.2	171,211.2	169,606.6	159,381.0	154,541.4	149,217.1	148,339.0	128,429.7
Passenger load factor	(%)	85.4	30.1	13.3	82.4	83.0	81.4	79.0	79.8	78.5	78.3

^{R1} Operating statistics for Singapore Airlines and SilkAir have been consolidated under Singapore Airlines (and SilkAir) with effect from FY2020/21.

^{R2} Operating statistics for FY2017/18 have been adjusted for adoption of IFRS and re-integration of SIA Cargo into the Parent Airline Company. Overall statistics for Singapore Airlines only shown with effect from FY2017/18.

^{R3} Capital disbursements comprised capital expenditure in property, plant and equipment, intangible assets, investments in subsidiaries, associated companies and joint venture companies, and additional long-term equity investments.

^{R4} Capacity per employee is defined as passenger and cargo capacity production (in tonnes) divided by Singapore Airlines' average staff strength.

^{R5} Operating statistics for Scoot only shown with effect from FY2014/15.

The Group Fleet Profile

As at 31 March 2023, Singapore Airlines Group's operating fleet^{R1} consisted of 195 aircraft - 188 passenger aircraft and 7 freighters. 133 and 55 of the passenger aircraft were operated by Singapore Airlines and Scoot respectively.

Aircraft type	Owned	Operating Lease	Total	Average age in years (y) and months (m)	On firm order	On option/purchase right
Singapore Airlines:						
A380-800	10	2	12	8 yrs 7 mths		
A350-900 XWB	54	7	61	4 yrs 2 mths	3	
777-300ER	20	3	23	13 yrs 0 mth		
787-10	11	4	15	4 yrs 4 mths	16	6
777-9				-	31	6
737-800		7	7	8 yrs 2 mths		
737-8	9	6	15	2 yrs 8 mths	13	
Sub-total	104	29	133	6 yrs 2 mths	63	12
Singapore Airlines (Freighters):						
747-400F	7		7	19 yrs 4 mths		
A350F				-	7	5
Sub-total	7		7	19 yrs 4 mths	7	5
Scoot:						
787-8	7	3	10	6 yrs 8 mths	3	
787-9	7	3	10	6 yrs 5 mths	1	
A320		20	20	10 yrs 5 mths	0	
A320neo	2	4	6	2 yrs 11 mths	12	11
A321neo		9	9	1 yr 5 mths	6	
E190-E2				-	9	
Sub-total	16	39	55 ^{R2}	6 yrs 8 mths	31	11
Total	127	68	195	6 yrs 9 mths	101	28

^{R1} 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.

^{R2} Excludes aircraft on lease to other carriers.

Information on Shareholdings

As at 5 June 2023

No. of Issued Shares:	2,977,543,505
No. of Issued Shares (excluding Treasury Shares):	2,970,576,427
No./Percentage of Treasury Shares:	6,967,078 (0.23%)
No./Percentage of Subsidiary Holdings*:	0 (0%)
Class of Shares:	Ordinary shares
Voting Rights (excluding Treasury Shares):	One special share held by the Minister for Finance 1 vote for 1 share

* 'Subsidiary holdings' is defined in the Listing Manual of the SGX-ST to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

Distribution Schedule

Range of shareholdings	Number of shareholders	%	Number of shares	%
1 - 99	561	0.61	21,645	0.00
100 - 1,000	26,151	28.26	18,622,773	0.63
1,001 - 10,000	54,452	58.85	226,140,771	7.61
10,001 - 1,000,000	11,334	12.25	336,297,712	11.32
1,000,001 and above	26	0.03	2,389,493,526	80.44
Total	92,524	100.00	2,970,576,427	100.00

Twenty Largest Shareholders

Name	Number of shares	% ¹
1 Napier Investments Pte. Ltd.	985,959,900	33.19
2 Temasek Holdings (Private) Limited	657,306,600	22.12
3 Citibank Nominees Singapore Pte Ltd	216,174,187	7.27
4 DBS Nominees Pte Ltd	130,642,472	4.39
5 Raffles Nominees (Pte) Limited	86,037,046	2.89
6 DBSN Services Pte. Ltd.	80,281,376	2.70
7 HSBC (Singapore) Nominees Pte Ltd	68,059,016	2.29
8 United Overseas Bank Nominees Private Limited	46,774,957	1.57
9 Phillip Securities Pte Ltd	18,694,862	0.62
10 OCBC Nominees Singapore Pte Ltd	18,469,721	0.62
11 IFAST Financial Pte Ltd	14,801,334	0.49
12 OCBC Securities Private Limited	8,640,467	0.29
13 Tiger Brokers (Singapore) Pte. Ltd.	7,893,500	0.26
14 UOB Kay Hian Private Limited	6,989,670	0.23
15 BPSS Nominees Singapore (Pte.) Ltd.	6,463,083	0.21
16 Merrill Lynch (Singapore) Pte Ltd	6,248,994	0.21
17 DB Nominees (Singapore) Pte Ltd	4,814,916	0.16
18 BNP Paribas Nominees Singapore Pte Ltd	4,667,914	0.15
19 Maybank Securities Pte. Ltd.	3,754,303	0.12
20 Lee Eng Ngee	3,089,300	0.10
Total	2,375,763,618	79.97

Information on Shareholdings

As at 5 June 2023

S\$6,196,793,517 Aggregate Principal Amount of Zero Coupon Mandatory Convertible Bonds ("2021 MCBs")

Range of principal amount of 2021 MCBs (S\$)	Number of 2021 MCBs holders	%	Principal amount of 2021 MCBs (S\$)	%
1 - 99	100	0.64	4,934	0.00
100 - 1,000	1,387	8.92	804,003	0.01
1,001 - 10,000	9,482	60.94	44,637,596	0.72
10,001 - 1,000,000	4,575	29.40	141,856,840	2.29
1,000,001 and above	16	0.10	6,009,490,144	96.98
Total	15,560	100.00	6,196,793,517	100.00

S\$850,000,000 1.625 per cent. Convertible Bonds due 2025 ("CBs")

The global certificate representing the CBs is registered in the name of HSBC Nominees (Hong Kong) Limited. Information on the beneficial holdings of the CBs is unavailable.

Substantial Shareholders' Interests in Ordinary Shares (as shown in the Register of Substantial Shareholders)

Substantial shareholder	Direct interest		Deemed interest		Total interest	
	No. of shares	% ¹	No. of shares	% ¹	No. of shares	% ¹
Temasek Holdings (Private) Limited	657,306,600	22.12	989,134,182 ²	33.29	1,646,440,782	55.42
Tembusu Capital Pte. Ltd.	-	-	988,862,100 ³	33.28	988,862,100	33.28
Napier Investments Pte. Ltd.	985,959,900	33.19	-	-	985,959,900	33.19

¹ Based on 2,970,576,426 ordinary shares issued as at 5 June 2023 (this is based on 2,977,543,505 shares issued as at 5 June 2023, excluding 6,967,078 shares held in treasury as at 5 June 2023 and the special share held by the Minister for Finance). Figures are rounded down to the nearest 0.01% and any discrepancies in aggregated figures are due to rounding.

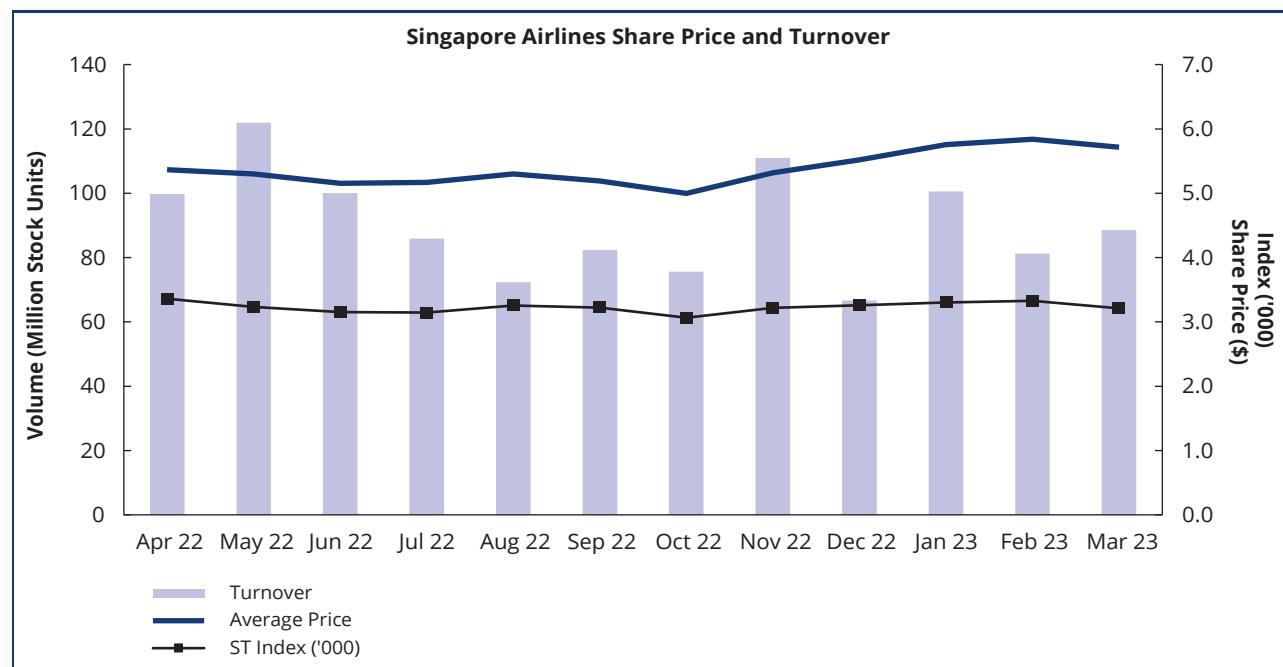
² Temasek Holdings (Private) Limited is deemed to be interested in 989,134,182 shares in which its subsidiaries and associated companies have direct or deemed interests.

³ Tembusu Capital Pte. Ltd. is deemed to be interested in 988,862,100 shares in which its subsidiaries, including Napier Investments Pte. Ltd., have an interest.

Shareholdings Held by the Public

Based on the information available to the Company as at 5 June 2023, 44.44% of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

Share Price and Turnover



Share Price (\$) ^{R1}	2022/23	2021/22
High	6.02	5.78
Low	4.99	4.41
Closing	5.73	5.50

Market Value Ratios ^{R2}	2022/23	2021/22
Price/Earnings	16.10	(33.95)
Price/Book value	0.86	0.73
Price/Cash earnings ^{R3}	8.30	30.56

^{R1} Quoted share prices are accurate as at the respective financial year end. Prior year share prices not adjusted for rights-issuance or other corporate actions.

^{R2} Based on closing price on 31 March and Group numbers.

^{R3} Cash earnings is defined as (loss)/profit attributable to owners of the Company plus depreciation, amortisation and impairment.

Additional Information Required by the Singapore Exchange Securities Trading Limited

1. Interested Person Transactions

The aggregate values of all Interested Person Transactions ("IPTs") entered into during the Financial Year 2022/23 are as follows:

Name of Interested Person	Nature of Relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		(S\$)	(S\$)
CapitaLand Investment Limited Group			
1) Ascendas Hotel Investment Company Pty Limited	An associate of the Company's controlling shareholder	–	149,375
2) Ascott International Management Japan Company Limited	An associate of the Company's controlling shareholder	–	544,423
3) Ascott Makati, Inc.	An associate of the Company's controlling shareholder	–	114,662
4) CapitaLand Integrated Commercial Trust	An associate of the Company's controlling shareholder	–	243,792
5) Somerset Palace Seoul	An associate of the Company's controlling shareholder	–	100,110
Gategroup Holding AG Group			
1) Compagnie d'Exploitation des Services Auxiliaires Aériens	An associate of the Company's controlling shareholder	–	7,502,980
2) deSter Asia Pacific Limited	An associate of the Company's controlling shareholder	–	170,047
3) Gate Gourmet Amsterdam B.V.	An associate of the Company's controlling shareholder	–	3,493,382
4) Gate Gourmet Denmark APS	An associate of the Company's controlling shareholder	–	5,568,460
5) Gate Gourmet Services Pty Ltd	An associate of the Company's controlling shareholder	–	15,448,489
6) Gate Gourmet Spain S.L.	An associate of the Company's controlling shareholder	–	357,765
7) Gate Gourmet Switzerland GmbH	An associate of the Company's controlling shareholder	–	7,597,648
8) Gategroup Trading Hong Kong Ltd	An associate of the Company's controlling shareholder	–	8,920,811
KrisShop Pte. Ltd.	An associate of the Company's controlling shareholder	*12,000,000	10,337,069

Additional Information Required by the Singapore Exchange Securities Trading Limited

1. Interested Person Transactions (continued)

Name of Interested Person	Nature of Relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (\$\$)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (\$\$)
SATS Ltd Group			
1) Air India SATS Airport Services Private Limited	An associate of the Company's controlling shareholder	–	7,687,468
2) Asia Airfreight Terminal Co Ltd	An associate of the Company's controlling shareholder	–	3,241,271
3) Ground Team Red Sdn Bhd	An associate of the Company's controlling shareholder	–	101,659
4) MacroAsia Catering Services Inc.	An associate of the Company's controlling shareholder	–	3,526,563
5) Mumbai Cargo Service Centre Airport Private Limited	An associate of the Company's controlling shareholder	–	3,160,185
6) PT Jas Aero-Engineering Services	An associate of the Company's controlling shareholder	–	3,013,280
7) PT Jasa Angkasa Semesta Tbk	An associate of the Company's controlling shareholder	–	7,917,863
8) SATS Aero Laundry Pte. Ltd.	An associate of the Company's controlling shareholder	–	10,766,434
9) SATS HK Limited	An associate of the Company's controlling shareholder	–	5,906,551
10) SATS Ltd	An associate of the Company's controlling shareholder	^320,000	497,488,662
11) SATS Security Services Private Limited	An associate of the Company's controlling shareholder	–	23,350,756
12) Taj SATS Air Catering Limited	An associate of the Company's controlling shareholder	–	5,760,606
13) TFK Corporation	An associate of the Company's controlling shareholder	–	3,460,694
SembCorp Industries Ltd Group			
1) Sembcorp Solar Singapore Pte Ltd	An associate of the Company's controlling shareholder	–	326,462
Singapore Telecommunications Limited Group			
1) Optus Networks Pty Limited	An associate of the Company's controlling shareholder	–	307,774
2) Singapore Telecommunications Limited	An associate of the Company's controlling shareholder	–	5,927,210
StarHub Ltd Group			
1) Ensign InfoSecurity (Systems) Pte. Ltd.	An associate of the Company's controlling shareholder	–	3,676,488
2) StarHub Ltd	An associate of the Company's controlling shareholder	–	1,572,524

Additional Information Required by the Singapore Exchange Securities Trading Limited

1. Interested Person Transactions (continued)

Name of Interested Person	Nature of Relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (\$\$)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (\$\$)
TeleChoice International Limited Group			
1) S & I Systems Pte Ltd	An associate of the Company's controlling shareholder	-	893,680
Temasek Holdings (Private) Limited and Associates			
1) BDP Asia Pacific Pte Ltd	An associate of the Company's controlling shareholder	-	1,038,987
2) Certis CISCO Aviation Security Pte. Ltd.	An associate of the Company's controlling shareholder	-	2,976,425
3) Constellar Venues Pte. Ltd.	An associate of the Company's controlling shareholder	-	129,635
4) Cuscaden Peak Investments Private Limited	An associate of the Company's controlling shareholder	-	321,750
5) Dreamcloud Pte. Ltd.	An associate of the Company's controlling shareholder	-	420,925
6) MediaCorp Pte Ltd	An associate of the Company's controlling shareholder	-	230,590
7) SMM Pte Ltd	An associate of the Company's controlling shareholder	-	10,174,161
8) SP Services Limited	An associate of the Company's controlling shareholder	-	313,030
9) SPH Media Limited	An associate of the Company's controlling shareholder	-	645,800
10) Sydney Night Patrol & Inquiry Co Pty Ltd	An associate of the Company's controlling shareholder	-	358,724
11) Sygnia Pte Ltd	An associate of the Company's controlling shareholder	-	264,382
12) UST Global (Singapore) Pte. Limited	An associate of the Company's controlling shareholder	-	551,374
Total		12,320,000	666,060,926

* Being the principal amount of unsecured loan of up to SGD 10.5 million from SIA to KrisShop Pte. Ltd. ("KrisShop") and estimated interest payable of SGD 1.5 million by KrisShop to SIA.

^ Being estimated interest payable by KrisShop to SATS Ltd ("SATS") incurred on the borrowing of unsecured shareholder loan of up to SGD 2.25 million from SATS by KrisShop.

2. Material Contracts

Except as disclosed above and in the financial statements for the financial year ended 31 March 2023, there were no material contracts entered into by the Company and its subsidiary companies involving the interests of the Chief Executive Officer, Directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Additional Information Required by the Singapore Exchange Securities Trading Limited

3. Use of Proceeds from Issue of Rights Mandatory Convertible Bonds

On 24 June 2021, the Company completed the issuance of Rights Mandatory Convertible Bonds (the "Rights MCBs"), which raised \$6.2 billion. The Company has decided to re-allocate 50% of the gross proceeds of the issue of the Rights MCBs, amounting to \$3.1 billion, to fund the partial redemption on 24 June 2023. As at 5 June 2023, none of the net proceeds from the Rights MCBs has been utilised.

4. Use of Proceeds from Issue of \$850 million Convertible Bonds

On 3 December 2020, the Company issued \$850 million in aggregate principal amount of 1.625% convertible bonds due 2025 convertible into Shares, at an issue price of 100% of their principal amount. As at 5 June 2023, \$249.4 million, out of the gross proceeds of \$850 million, has been utilised towards capital expenditure in relation to aircraft payments. The Company will make further announcements on the use of the remaining proceeds of the convertible bonds until such proceeds have been fully utilised.

Notice of Annual General Meeting

Singapore Airlines Limited

(Incorporated in the Republic of Singapore)
Company Registration No. 197200078R

Notice is hereby given that the Fifty-First Annual General Meeting of Singapore Airlines Limited (the “**Company**”) will be held at Suntec Singapore Convention and Exhibition Centre, Summit 1-2, Level 3, 1 Raffles Boulevard, Singapore 039593 on Thursday, 27 July 2023 at 2.30 p.m. to transact the following business:

Ordinary Business

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the year ended 31 March 2023 and the Auditors’ Report thereon.
2. To declare a final dividend of 28 cents per ordinary share for the year ended 31 March 2023.
3. To re-elect the following Directors who are retiring by rotation in accordance with Article 91 of the Company’s Constitution and who, being eligible, offer themselves for re-election:
 - (a) Mr Goh Choon Phong
 - (b) Mr Dominic Ho Chiu Fai
 - (c) Mr Lee Kim Shin

Mr Hsieh Tsun-yan is also due to retire by rotation under Article 91 of the Company’s Constitution but will not be offering himself for re-election.

4. To approve Directors’ emoluments of up to S\$2,600,000 for the financial year ending 31 March 2024 (FY2022/23: up to S\$2,000,000).
5. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

Special Business

To consider and if thought fit, to pass, with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:

6. That pursuant to Section 161 of the Companies Act 1967, authority be and is hereby given to the Directors of the Company (the “**Directors**”) to:
 - (a) (i) issue shares of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

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- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue or consolidation or subdivision of shares,
 and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

7. That the Directors of the Company be and are hereby authorised to:

- (a) grant awards in accordance with the provisions of the SIA Performance Share Plan 2014 and/or the SIA Restricted Share Plan 2014; and
- (b) allot and issue from time to time such number of fully paid-up ordinary shares as may be required to be delivered pursuant to the vesting of awards under the SIA Performance Share Plan 2014 and/or the SIA Restricted Share Plan 2014,

provided that:

- (1) the aggregate number of (i) new ordinary shares allotted and issued and/or to be allotted and issued, (ii) existing ordinary shares (including ordinary shares held in treasury) delivered and/or to be delivered, and (iii) ordinary shares released and/or to be released in the form of cash in lieu of ordinary shares, pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014, shall not exceed 5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time;
- (2) the aggregate number of ordinary shares under awards to be granted pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 respectively during the period (the "**Relevant Year**") commencing from this Annual General Meeting and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 0.5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"); and
- (3) if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used for the grant of awards under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 in subsequent years, for the duration of the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 respectively,

and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited.

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8. That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the Singapore Exchange Securities Trading Limited for the Company, its subsidiaries and associated companies that are "entities at risk" (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Letter to Shareholders dated 28 June 2023 (the "Letter") with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above (the "IPT Mandate") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

9. That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "Companies Act"), the exercise by the Directors of the Company (the "Directors") of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the "SGX-ST"); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buy Back Mandate");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

"Average Closing Price" means the average of the last dealt prices of a Share for the five consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five-day period and the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase;

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the basis set out herein) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

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"Maximum Limit" means that number of issued Shares representing 5% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, whether pursuant to a market purchase or an off-market purchase, 105% of the Average Closing Price of the Shares; and

- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

Notice of Record Date and Payment Date

Notice is hereby given that, subject to the approval of shareholders to the final dividend being obtained at the Fifty-First Annual General Meeting to be held on 27 July 2023, the Transfer Books and the Register of Members of the Company will be closed on 2 August 2023 at 5.00 p.m. for the preparation of dividend warrants.

Duly completed and stamped transfers (together with all relevant documents of or evidencing title) received by the Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on 2 August 2023 will be registered to determine shareholders' entitlements to the final dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on 2 August 2023 will be entitled to the final dividend.

The final dividend, if so approved by shareholders, will be paid on 18 August 2023.

By Order of the Board

Brenton Wu
Company Secretary
28 June 2023
Singapore

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Explanatory notes

1. In relation to Ordinary Resolution Nos. 3(a), 3(b) and 3(c), Mr Goh Choon Phong will, upon re-election, continue to serve as a member of the Board Executive Committee and the Customer Experience, Technology and Sustainability Committee. Mr Dominic Ho Chiu Fai will, upon re-election, continue to serve as Chairman of the Board Safety and Risk Committee and a member of the Board Audit Committee. Mr Lee Kim Shin will, upon re-election, continue to serve as a member of the Board Nominating Committee and the Board Safety and Risk Committee. Mr Ho and Mr Lee are considered independent Directors. Mr Goh, who is the Chief Executive Officer, is considered a non-independent Director. Please refer to the section on Additional Information on Directors Seeking Re-Election in the Annual Report FY2022/23 for information relating to each of these Directors, as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”).
2. Ordinary Resolution No. 4, if passed, will facilitate the payment of up to S\$2,600,000 as Directors’ fees during the financial year in which the fees are incurred, that is, during the financial year ending 31 March 2024 (“FY2023/24”) (up to S\$2,000,000 for the previous financial year). The proposed increase of up to S\$600,000 for FY2023/24 is mainly due to the cessation of the 30% reduction in Directors’ fees. Soon after the COVID-19 pandemic struck in 2020, the Board had voluntarily reduced their fees by 30%, as a show of solidarity with Management’s salary reductions. With the Company’s recovery from the pandemic, all such reductions have ceased. The proposed Directors’ fees for FY2023/24 are consequently higher than for the previous financial year. Directors’ fees are computed based on the anticipated number of Board and Board Committee meetings for FY2023/24, assuming full attendance in person by all of the non-executive Directors. The amount also caters for any additional unscheduled Board or Board Committee meetings and/or the formation of additional Board Committees. The amount also includes transport and travel benefits to be provided to the non-executive Directors. In the event that the amount proposed is insufficient, approval will be sought at the next Annual General Meeting in year 2024 (“2024 AGM”) before payments are made to Directors for the shortfall. Mr Goh Choon Phong, being the Chief Executive Officer, does not receive any Director’s fees.

The current intention is that the Directors’ fees for non-executive Directors for FY2023/24 will comprise a cash component and a share component, with approximately 30% being paid out in the form of awards under the SIA Restricted Share Plan 2014. Any such award would typically consist of the grant of fully paid shares outright with no performance or vesting conditions attached, but with a selling moratorium of one year. Non-executive Directors would eventually be required to hold shares (including shares obtained by other means) worth a minimum of the annual basic retainer fees (currently S\$90,000) as the shares paid out to them as part of their remuneration in lieu of cash accumulate over time.

The cash component of the Directors’ fees for FY2023/24 is intended to be paid quarterly in arrears. The share component of the Directors’ fees for FY2023/24 is intended to be paid after the 2024 AGM has been held. The actual number of shares to be awarded to each non-executive Director holding office at the time of the payment is intended to be determined by reference to the volume weighted average price of a share on the SGX-ST over the 10 trading days from (and including) the day on which the shares are first quoted ex-dividend after the 2024 AGM (or, if no final dividend is proposed at the 2024 AGM, or the resolution to approve any such final dividend is not approved at the 2024 AGM, over the 10 trading days immediately following the date of the 2024 AGM). The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash. A non-executive Director who steps down before the payment of the share component will receive all of his Directors’ fees for FY2023/24 (calculated on a pro-rated basis, where applicable) in cash.

3. Ordinary Resolution No. 6, if passed, will empower the Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments. The number of shares which the Directors may issue under this Ordinary Resolution will not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings), with a sub-limit of 5% for issues other than on a *pro rata* basis. The 5% sub-limit for non-*pro rata* issues is lower than the 20% sub-limit allowed under the Listing Manual of the SGX-ST. For the purpose of determining the aggregate number of shares which may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible instruments or share options or vesting of share awards which were issued and are outstanding at the time this Ordinary Resolution is passed; and (b) any subsequent bonus issue or consolidation or subdivision of shares. For the avoidance of doubt, shareholders’ approval will be required for any consolidation or subdivision of shares. As at 5 June 2023, the Company had 6,967,078 treasury shares and no subsidiary holdings.
4. Ordinary Resolution No. 7, if passed, will empower the Directors to grant awards pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014, and to allot and issue ordinary shares of the Company pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014.

The SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 were adopted at the Extraordinary General Meeting of the Company held on 30 July 2014. At the Annual General Meeting held on 27 July 2018, shareholders approved alterations to the SIA Restricted Share Plan 2014 to enable non-executive Directors of the Company and/or its subsidiaries to participate in the SIA Restricted Share Plan 2014 (in addition to employees, including executive Directors of the Company and/or its subsidiaries).

The total number of ordinary shares which may be delivered pursuant to awards granted under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 (whether in the form of ordinary shares or in the form of cash in lieu of ordinary shares) shall not exceed 5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time. In addition, Ordinary Resolution No. 7 will also provide that the total number of ordinary shares under awards to be granted pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 from this Annual General Meeting to the next Annual General Meeting (the “Relevant Year”) shall not exceed 0.5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the “Yearly Limit”), provided that if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used by the Directors to make grants of awards under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 in subsequent years, for the duration of the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 respectively.

5. Ordinary Resolution No. 8, if passed, will renew the mandate to allow the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST) or any of them, to enter into certain interested person transactions with certain classes of interested persons as described in the Appendix to the Letter to Shareholders dated 28 June 2023 (the “Letter”). The authority will, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company. Please refer to the Letter (which is available on the Company’s website at the URL <https://www.singaporeair.com/shareholder> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>) for more details.

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6. Ordinary Resolution No. 9, if passed, will renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company may use internal or external sources of funds to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Buy Back Mandate on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 March 2023, based on certain assumptions, are set out in paragraph 3.7 of the Letter.

Please refer to the Letter (which is available on the Company's website at the URL <https://www.singaporeair.com/shareholder> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>) for more details.

Notes:

Format of Meeting

1. *The Annual General Meeting will be held, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Summit 1-2, Level 3, 1 Raffles Boulevard, Singapore 039593 on Thursday, 27 July 2023 at 2.30 p.m.. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the Annual General Meeting by attending the Annual General Meeting in person. There will be no option for shareholders to participate virtually.*

Printed copies of this Notice and the accompanying proxy form will be sent by post to members. These documents will also be published on the Company's website at the URL <https://www.singaporeair.com/shareholder> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Appointment of Proxy(ies)

2. (a) *A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.*
- (b) *A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.*

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

3. *A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.*
4. *The instrument appointing a proxy(ies) must be submitted in the following manner:*
 - (a) *if submitted personally or by post, be lodged with the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or*
 - (b) *if submitted electronically, be submitted via email to the Company's Share Registrar at GPE@mncsingapore.com,*

and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the Annual General Meeting.
5. *CPF and SRS investors:*
 - (a) *may vote at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or*
 - (b) *may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 July 2023.*

Submission of Questions

6. *Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting in advance of the Annual General Meeting:*
 - (a) *by post to the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or*
 - (b) *via email to the Company's Share Registrar, M & C Services Private Limited, at GPE@mncsingapore.com.*

When submitting questions by post or via email, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's email address; and (iii) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF/SRS and/or physical scrip), for verification purposes.

All questions submitted in advance must be received by 5.00 p.m. on 17 July 2023.

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7. *The Company will address all substantial and relevant questions received from shareholders by the 17 July 2023 deadline by publishing its responses to such questions on its corporate website at the URL <https://www.singaporeair.com/shareholder> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements> at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing a proxy(ies). The Company will respond to questions or follow-up questions submitted after the 17 July 2023 deadline either within a reasonable timeframe before the Annual General Meeting, or at the Annual General Meeting itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.*
8. *Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting, at the Annual General Meeting itself.*

Access to Documents

9. *The Annual Report FY2022/23 and the Letter to Shareholders dated 28 June 2023 (in relation to the proposed renewal of the mandate for interested person transactions and the proposed renewal of the share buy back mandate) are available for inspection at the registered office of the Company at Airline House, 25 Airline Road, Singapore 819829 during normal business hours from the date of this Notice up to the date of the Annual General Meeting, and may also be accessed at the Company's website at the URL <https://www.singaporeair.com/shareholder> as follows:*
 - (a) *the Annual Report FY2022/23 may be accessed by clicking on the hyperlink for "Annual Report FY2022/23" under "Annual General Meeting (27 July 2023)"; and*
 - (b) *the Letter to Shareholders dated 28 June 2023 may be accessed by clicking on the hyperlink for "Letter to Shareholders" under "Annual General Meeting (27 July 2023)".*

The above documents will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Members may request for printed copies of these documents by completing and submitting the request form (sent to them by post together with printed copies of this Notice and the accompanying proxy form) no later than 13 July 2023.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Additional Information on Directors Seeking Re-Election

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Mr Goh Choon Phong, Mr Dominic Ho Chiu Fai and Mr Lee Kim Shin as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is disclosed below:

Name of Director	Goh Choon Phong	Dominic Ho Chiu Fai	Lee Kim Shin
Date of Appointment	1 October 2010	1 May 2017	1 September 2016
Date of last re-appointment (if applicable)	27 July 2020	29 July 2021	29 July 2021
Age	59	72	62
Country of Principal Residence	Singapore	United States of America	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	<p>After due consideration, the Board concurs with the Nominating Committee's views that Mr Goh, being the Chief Executive Officer, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience and commitment in the discharge of his duties as the Chief Executive Officer of Singapore Airlines Limited.</p> <p>Mr Goh's credentials, experience, background, knowledge and expertise will continue to complement the diversity of skill sets of the Board, thereby enriching its perspectives and deliberations.</p>	<p>After due consideration, the Board concurs with the Nominating Committee's views that Mr Ho, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience, independence and commitment in the discharge of his duties as a Director.</p> <p>This is especially in view of Mr Ho's decades of experience in auditing, accounting and business consulting, gained previously at a "big four" professional services firm, and particularly with advising large companies and government organisations in China and Hong Kong SAR, which will enable him to provide valuable insights and contributions to the Board.</p> <p>Mr Ho's credentials, experience, background, knowledge and expertise will continue to complement the diversity of skill sets of the Board, thereby enriching its perspectives and deliberations.</p>	<p>After due consideration, the Board concurs with the Nominating Committee's views that Mr Lee, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience, independence and commitment in the discharge of his duties as a Director.</p> <p>This is especially in view of Mr Lee's legal expertise and extensive experience at one of the largest leading law firms in Singapore, coupled with his appointment as a Senior Counsel and past appointment as a Judicial Commissioner of the Singapore High Court, which will augment the core competencies of the Board.</p> <p>Mr Lee's credentials, experience, background, knowledge and expertise will continue to complement the diversity of skill sets of the Board, thereby enriching its perspectives and deliberations.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive – Mr Goh is the Chief Executive Officer of Singapore Airlines Limited	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> ● Non-Independent and Executive Director ● Member of Board Executive Committee ● Member of Customer Experience, Technology and Sustainability Committee 	<ul style="list-style-type: none"> ● Independent and Non-Executive Director ● Chairman of Board Safety and Risk Committee ● Member of Board Audit Committee 	<ul style="list-style-type: none"> ● Independent and Non-Executive Director ● Member of Board Nominating Committee ● Member of Board Safety and Risk Committee

Additional Information on Directors Seeking Re-Election

Name of Director	Goh Choon Phong	Dominic Ho Chiu Fai	Lee Kim Shin
Professional Qualifications	<ul style="list-style-type: none"> Master of Science in Electrical Engineering and Computer Science Bachelor of Science in Computer Science & Engineering Bachelor of Science in Management Science Bachelor of Science in Cognitive Science <p><i>Massachusetts Institute of Technology, United States of America</i></p>	<ul style="list-style-type: none"> Master of Science Bachelor of Business Administration <p><i>University of Houston, United States of America</i></p>	<ul style="list-style-type: none"> Bachelor of Laws (Honours) <p><i>National University of Singapore</i></p>
Working experience and occupation(s) during the past 10 years	Mr Goh is the Chief Executive Officer of Singapore Airlines Limited. He joined the Company in 1990 and has held senior management positions in various divisions in Singapore and overseas, ranging from Marketing to Information Technology to Finance and Cargo. Prior to his appointment as Chief Executive Officer, Mr Goh was Executive Vice President for Marketing and the Regions, and also served as President of Singapore Airlines Cargo Pte Ltd from 2006 to 2010, Senior Vice President Finance from 2004 to 2006, and Senior Vice President Information Technology from 2003 to 2004.	Mr 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 (IPOs) of Chinese companies, and assisted foreign companies with their investments in China.	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 served as a Judicial Commissioner of the High Court of Singapore for one year in 2014, and was appointed Senior Counsel in January 2015.
Shareholding interest in Singapore Airlines Limited and its subsidiaries	<p>3,806,779 ordinary shares of Singapore Airlines Limited.</p> <p>SIA Restricted Share Plan ("RSP") 2014</p> <ul style="list-style-type: none"> Base Award – 93,494 Pending release – 121,978 <p>SIA Strategic RSP 2014 Award</p> <ul style="list-style-type: none"> Pending release – 122,125 <p>SIA Performance Share Plan 2014</p> <ul style="list-style-type: none"> Base Award – 429,517 <p>S\$500,000 principal amount of 2021 Mandatory Convertible Bonds of Singapore Airlines Limited.</p>	46,900 ordinary shares of Singapore Airlines Limited.	<p>32,000 ordinary shares of Singapore Airlines Limited.</p> <p>S\$41,382 principal amount of 2021 Mandatory Convertible Bonds of Singapore Airlines Limited.</p>
Any relationship (including immediate family relationships) with any existing director, existing executive officer, Singapore Airlines Limited and/or substantial shareholder of Singapore Airlines Limited or of any of its principal subsidiaries	No	No	No

Additional Information on Directors Seeking Re-Election

Name of Director	Goh Choon Phong	Dominic Ho Chiu Fai	Lee Kim Shin
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to Singapore Airlines Limited	Yes	Yes	Yes
Other Principal Commitments including Directorships			
Past (for the last 5 years)	<p>Principal commitment:</p> <p>Member, Board of Governors</p> <ul style="list-style-type: none"> ● International Air Transport Association 	<p>Principal commitments:</p> <p>Chairman</p> <ul style="list-style-type: none"> ● DBS Bank (China) Limited <p>Director</p> <ul style="list-style-type: none"> ● Underwriters Laboratories Inc. 	<p>Principal commitments:</p> <p>Chairman</p> <ul style="list-style-type: none"> ● Allen & Gledhill Regulatory & Compliance Pte Ltd <p>Director</p> <ul style="list-style-type: none"> ● Eastern Development Holdings Pte. Ltd. ● Eastern Development Private Limited <p>Member, Governing Council</p> <ul style="list-style-type: none"> ● Singapore Institute of Directors <p>Member</p> <ul style="list-style-type: none"> ● Yellow Ribbon Fund
Present	<p>Other listed companies:</p> <p>Director</p> <ul style="list-style-type: none"> ● Mastercard Incorporated ● SIA Engineering Company Limited <p>Other principal commitments:</p> <p>Chairman</p> <ul style="list-style-type: none"> ● Budget Aviation Holdings Pte. Ltd. <p>Chairman and Board Executive Committee</p> <p>Member</p> <ul style="list-style-type: none"> ● Association of Asia Pacific Airlines <p>Member, Board of Trustees</p> <ul style="list-style-type: none"> ● National University of Singapore <p>Member</p> <ul style="list-style-type: none"> ● Massachusetts Institute of Technology Presidential CEO Advisory Board 	<p>Other listed company:</p> <p>Director</p> <ul style="list-style-type: none"> ● Hang Lung Properties Limited <p>Other principal commitment:</p> <p>Director</p> <ul style="list-style-type: none"> ● DBS Bank (Hong Kong) Limited 	<p>Principal commitments:</p> <p>Counsel</p> <ul style="list-style-type: none"> ● Allen & Gledhill LLP <p>Director</p> <ul style="list-style-type: none"> ● Epimetheus Limited ● Goh Foundation Limited ● Singapore Institute of Legal Education ● Singapore Power Limited <p>Member, Governing Board</p> <ul style="list-style-type: none"> ● Duke-NUS Medical School, Singapore

Additional Information on Directors Seeking Re-Election

Name of Director	Goh Choon Phong	Dominic Ho Chiu Fai	Lee Kim Shin
Information required			
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

Additional Information on Directors Seeking Re-Election

Name of Director	Goh Choon Phong	Dominic Ho Chiu Fai	Lee Kim Shin
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

Additional Information on Directors Seeking Re-Election

Name of Director	Goh Choon Phong	Dominic Ho Chiu Fai	Lee Kim Shin
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

Additional Information on Directors Seeking Re-Election

Name of Director	Goh Choon Phong	Dominic Ho Chiu Fai	Lee Kim Shin
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

**Proxy Form
Annual General Meeting
Singapore Airlines Limited**

(Incorporated in the Republic of Singapore)
Company Registration No. 197200078R



IMPORTANT:

1. The Annual General Meeting will be held, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Summit 1-2, Level 3, 1 Raffles Boulevard, Singapore 039593 on Thursday, 27 July 2023 at 2.30 p.m.. **There will be no option for shareholders to participate virtually.**
2. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).**
3. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors:
 - (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies;
 - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 July 2023.
4. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28 June 2023.

*I/We, _____ (Name), _____ (*NRIC/Passport/Co. Reg. No.)

of _____ (Address)
being a *member/members of Singapore Airlines Limited (the "Company") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

*and/or

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or, failing *him/her, the Chairman of the Meeting, as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the Fifty-First Annual General Meeting of the Company ("Annual General Meeting") to be held at Suntec Singapore Convention and Exhibition Centre, Summit 1-2, Level 3, 1 Raffles Boulevard, Singapore 039593 on Thursday, 27 July 2023 at 2.30 p.m. and at any adjournment thereof in the following manner:

Ordinary Business

No.	Resolutions	For	Against	Abstain
1	Adoption of the Directors' Statement, Audited Financial Statements and Auditors' Report for the year ended 31 March 2023			
2	Declaration of Final Dividend			
3	Re-election of Directors in accordance with Article 91: <ul style="list-style-type: none"> (a) Mr Goh Choon Phong (b) Mr Dominic Ho Chiu Fai (c) Mr Lee Kim Shin 			
4	Approval of Directors' emoluments for the financial year ending 31 March 2024			
5	Re-appointment of Auditors and authority for the Directors to fix their remuneration			

Special Business

No.	Resolutions	For	Against	Abstain
6	Authority for Directors to issue shares, and to make or grant instruments convertible into shares, pursuant to Section 161 of the Companies Act 1967			
7	Authority for Directors to grant awards, and to allot and issue shares, pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014			
8	Renewal of the IPT Mandate			
9	Renewal of the Share Buy Back Mandate			

NOTE: Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please indicate with a tick (✓) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a tick (✓) in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares that your proxy/proxies is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the Annual General Meeting.

* Delete accordingly.

Dated this _____ day of _____ 2023.

Total Number of Shares Held: _____

Signature(s) of Member(s) or Common Seal

Contact Number/Email Address of Member(s)

Important: Please read notes on the reverse side

Please glue and seal along this edge

Please glue and seal along this edge

Notes:

1. If a member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
4. The instrument appointing a proxy(ies) must be submitted in the following manner:
 - (a) if submitted personally or by post, be lodged with the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at GPE@mncsingapore.com, and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the Annual General Meeting.
5. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted personally or by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
6. A corporation which is a member may also authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting in accordance with Section 179 of the Companies Act 1967.
7. The appointment of a proxy(ies) shall not preclude a member from attending, speaking and voting in person at the Annual General Meeting. If a member attends the Annual General Meeting in person, the appointment of a proxy(ies) shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy(ies) to the Annual General Meeting.
8. The Company shall be entitled to reject an instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

2nd Fold

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Singapore Airlines Limited
c/o M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

1st Fold

Corporate Data

BOARD OF DIRECTORS

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

BOARD COMMITTEES

Board Executive Committee

Chairman	Peter Seah Lim Huat
Members	Goh Choon Phong Gautam Banerjee Hsieh Tsun-yan

Customer Experience, Technology and Sustainability Committee

Chairman	Simon Cheong Sae Peng
Members	Goh Choon Phong David John Gledhill Goh Swee Chen

Board Audit Committee

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

Company Secretary	Brenton Wu Ming-Kaye
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Share Registrar	M & C Services Private Limited 112 Robinson Road #05-01 Singapore 068902
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Board Compensation and Industrial Relations Committee

Chairman	Peter Seah Lim Huat
Members	Simon Cheong Sae Peng Hsieh Tsun-yan Jeanette Wong Kai Yuan

Auditors	KPMG LLP Public Accountants and Chartered Accountants 12 Marina View #15-01 Asia Square Tower 2 Singapore 018961
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Board Nominating Committee

Chairman	Peter Seah Lim Huat
Members	Goh Swee Chen Lee Kim Shin

Audit Partner	Ang Fung Fung (from the audit of the financial statements for the year ended 31 March 2023)
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Board Safety and Risk Committee

Chairman	Dominic Ho Chiu Fai
Members	Peter Seah Lim Huat David John Gledhill Lee Kim Shin

Registered Office	Airline House 25 Airline Road Singapore 819829
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EXECUTIVE MANAGEMENT

Head Office

Goh Choon Phong Chief Executive Officer	Quay Chew Eng Senior Vice President Flight Operations (until 23 March 2023)
Lee Lik Hsin Executive Vice President Commercial and Chief Commercial Officer (from 1 June 2023)	Eugene C. Antoni Acting Senior Vice President Flight Operations (from 23 March 2023)
Tan Kai Ping Executive Vice President Finance and Strategy and Chief Financial Officer	Vanessa Ng Wee Leng Senior Vice President Human Resources
Mak Swee Wah Executive Vice President Operations and Chief Operations Officer (from 1 June 2023)	George Wang Wei Jun Senior Vice President Information Technology

Tan Pee Teck Senior Vice President Cabin Crew	Tan Jo-Ann Senior Vice President Marketing Planning
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Chin Yau Seng Senior Vice President Cargo (until 31 May 2023)	Overseas Regions
Lee Wen Fen Senior Vice President Corporate Planning and Chief Sustainability Officer (from 1 January 2023)	Joey Seow Eng Wan Regional Vice President Americas

Yeoh Phee Teik Senior Vice President Customer Experience	Lee Sek Eng Regional Vice President Europe
Marvin Tan Meng Hung Senior Vice President Customer Services and Operations (until 31 May 2023)	Foo Chai Woo Regional Vice President North Asia

Lu Chung Yuan Acting Senior Vice President Customer Services and Operations (from 1 June 2023)	Lim Wee Kok Regional Vice President South East Asia
Lau Hwa Peng Senior Vice President Engineering	Louis Leonard Arul Regional Vice President South West Pacific

Overseas Regions

Joey Seow Eng Wan Regional Vice President Americas
Lee Sek Eng Regional Vice President Europe

Foo Chai Woo Regional Vice President North Asia
Lim Wee Kok Regional Vice President South East Asia

Louis Leonard Arul Regional Vice President South West Pacific
David Lau Tiang Meng Regional Vice President West Asia and Africa

SENIOR MANAGEMENT, MAJOR SUBSIDIARIES

Ng Chin Hwee Chief Executive Officer SIA Engineering Company Limited (until 30 September 2023)
Chin Yau Seng Chief Executive Officer (Designate) SIA Engineering Company Limited (from 1 June 2023)

Leslie Thng Kan Chung Chief Executive Officer Scoot Pte. Ltd.

FINANCIAL CALENDAR

- **31 March 2023**
Financial Year End
- **16 May 2023**
Announcement of FY2022/23 Full Year Results
- **28 June 2023**
Publication of Annual Report and Letter to Shareholders
- **27 July 2023**
Annual General Meeting
- **27 July 2023**
Announcement of FY2023/24 First Quarter Business Update
- **7 November 2023**
Announcement of FY2023/24 Second Quarter and Half-year Results



A STAR ALLIANCE MEMBER 

SINGAPORE AIRLINES LIMITED
MCI(P) 055/05/2023
Singapore Company Reg. No.: 197200078R
Airline House
25 Airline Road
Singapore 819829

COMPANY SECRETARY

Brenton Wu
Tel: +65 6541 5314
Fax: +65 6546 7469
Email: brenton_wu@singaporeair.com.sg

INVESTOR RELATIONS

Tel: +65 6541 4885
Email: investor_relations@singaporeair.com.sg

PUBLIC AFFAIRS

Tel: +65 6541 5880
Email: public_affairs@singaporeair.com.sg

www.singaporeair.com