

Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of UBS AG, acting through its London branch, the Certificates, or the Company (as defined below).

**5,000,000 European Style Cash Settled Short Certificates relating to
the ordinary shares of Singapore Airlines Limited
with a Daily Leverage of -5x**

**UBS AG
(Incorporated with limited liability in Switzerland)
acting through its London Branch**

Issue Price: S\$0.40 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by UBS AG (the “**Issuer**”) acting through its London branch, and is supplemental to and should be read in conjunction with a base listing document dated 28 June 2023 (the “**Base Listing Document**”), including its supplements and addenda as executed from time to time, for the purpose of giving information with regard to the Issuer and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer. Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in the United States, the United Kingdom, the European Economic Area, Singapore and Hong Kong (see “Placing and Sale” contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer and/or any of its affiliates may from time to time purchase the Certificates or sell additional

Certificates on the market, the Issuer and/or any of its affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

For the purpose of section 309B(1) of the Securities and Futures Act 2001 of Singapore (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A of the SFA) that the Certificates are classified as capital markets products other than prescribed capital markets products¹ and Specified Investment Products (SIPs)², and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

Prospective purchasers should therefore ensure that they understand the nature of the Certificates and carefully study the risk factors set out in the Base Listing Document and pages 5 to 9 of this document before they invest in the Certificates.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 7 July 2023.

As at the date hereof, the Issuer's long term credit rating by S&P Global Ratings Europe Limited is A+, by Moody's Investors Service Ltd. is Aa3 and by Fitch Ratings Ireland Limited is A+.

The Issuer is regulated by, among others, the Swiss Federal Banking Commission. In the United Kingdom, it is authorised by the Prudential Regulatory Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulatory Authority.

6 July 2023

¹ As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

² As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer accepts full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to itself and the Certificates. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which it accepts responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer accepts responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer.

No persons have been authorised to give any information or to make any representation save as contained in this document or otherwise authorised by the Issuer in connection with the Certificates and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer or its subsidiaries and associates since the date hereof.

This document does not constitute an offer or solicitation by or on behalf of the Issuer to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer requires persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, Certificates, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Certificates, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed "Placing and Sale" contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer and/or any of its affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer and/or any of its affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

Table of Contents

	<i>Page</i>
Risk Factors	5
Terms and Conditions of the Certificates	10
Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities	19
Summary of the Issue	30
Information relating to the European Style Cash Settled Short Certificates on Single Equities	32
Information relating to the Company	47
Information relating to the Designated Market Maker	48
Placing and Sale	49
Supplemental General Information	54
Appendix	

RISK FACTORS

The following risk factors are relevant to the Certificates:-

- (a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer will be unable to satisfy its obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;
- (b) the Certificates constitute direct, general and unsecured contractual obligations of the Issuer and if you purchase the Certificates you are relying upon the creditworthiness of the Issuer and have no rights under the Certificates against any other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates you are relying upon the creditworthiness of the Issuer and have no rights under the Certificates against the Company which has issued the Underlying Stock (as defined below). The Issuer has substantially no obligation to a Certificate Holder (as defined in the Conditions) other than to pay amounts in accordance with the terms thereof as set forth herein and in the Base Listing Document. The Issuer does not in any respect underwrite or guarantee the performance of any Certificate. Any profit or loss realised by a Certificate Holder in respect of a Certificate upon exercise or otherwise due to changes in the value of such Certificate or the Underlying Stock is solely for the account of such Certificate Holder. In addition, the Issuer shall have the absolute discretion to put in place any hedging transaction or arrangement which it deems appropriate in connection with any Certificate or the Underlying Stock. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by any one of its rating agencies could result in a reduction in the trading value of the Certificates;
- (c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has risen sharply;
- (d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry and the creditworthiness of the Issuer;
- (e) fluctuations in the price of the Underlying Stock will affect the price of the Certificates but not necessarily in the same magnitude and direction, therefore, prospective investors intending to purchase Certificates to hedge their market risk associated with investing in the Underlying Stock which may be specified herein, should recognise the complexities of utilising the Certificates in this manner;
- (f) a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;

- (g) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;
- (h) investors should note that the Issuer's obligations to pay amounts in accordance with the terms thereof as set forth herein shall be discharged by delivery of the aggregate Cash Settlement Amount (if positive) to all Certificate Holders in accordance with the agreement with the Warrant Agent;
- (i) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;
- (j) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions;
- (k) the Certificates are only exercisable on the expiry date and may not be exercised by Certificate Holders prior to such expiry date. Accordingly, if on such expiry date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;
- (l) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);
- (m) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and the Rebalancing Cost (as defined below);
- (n) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;
- (o) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the inverse performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;
- (p) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);
- (q) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;

- (r) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight rise in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when the market (in respect of which the Underlying Stock is listed) opens the following day (including pre-opening trading session and extended auction hours, if applicable) or (ii) a sharp intraday rise in the Underlying Stock of 20% or greater during the observation period compared to the reference price, being: (a) if air bag event has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (b) if one or more air bag events have been previously triggered on the same day, the latest new observed price. Investors may refer to pages 40 to 41 of this document for more information;
- (s) certain events may, pursuant to the terms and conditions of the Certificates, trigger (A) the implementation of methods of adjustment or (B) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (A) general market conditions and (B) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to Condition 13 on pages 27 to 28 of this document for more information;
- (t) investors should note that it is not possible to predict the price at which the Certificates will trade in the secondary market or whether such market will be liquid or illiquid. To the extent Certificates of a particular issue are exercised, the number of Certificates of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Certificates of such issue. A decrease in the liquidity of an issue of Certificates may cause, in turn, an increase in the volatility associated with the price of such issue of Certificates. The Issuer may, but is not obligated to, at any time, purchase Certificates at any price in the open market or by tender or private agreement. Any Certificates so purchased may be held or resold or surrendered for cancellation. To the extent that an issue of Certificates becomes illiquid, an investor may have to exercise such Certificates to realise value;
- (u) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;
- (v) investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Investors should refer to the Taxation Section in the Base Listing Document;
- (w) investors should note that the Issuer may enter into discount, commission or fee arrangements with brokers and/or any of its subsidiaries or affiliates with respect to the primary or secondary market in the Certificates. The arrangements may result in the benefit to investors in Certificates buying and selling Certificates through nominated brokers by reducing or eliminating the commission payable by such Certificate Holders. In the event that

the commission payable by Certificate Holders is eliminated, fee arrangements between the Issuer and brokers and/or any of its subsidiaries or affiliates will continue to apply. Investors in the Certificates should note that any brokers with whom the Issuer has a commission arrangement does not, and cannot be expected to, deal exclusively in the Certificates, therefore any broker and/or any of its subsidiaries or affiliates may from time to time engage in transactions involving the Underlying Stock and/or structured products of other issuers over the Underlying Stock as the Certificates for their proprietary accounts and/or accounts of their clients. The fact that the same broker may deal simultaneously for different clients in competing products in the market place may affect the value of the Certificates and present certain conflicts of interests;

- (x) various potential and actual conflicts of interest may arise from the overall activities of the Issuer and any of its subsidiaries and affiliates.

The Issuer and any of its subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer and any of its subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer and any of its subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer and any of its subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

- (y) in the ordinary course of their business, including without limitation in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer and any of its respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock and/or related derivatives. In addition, in connection with the offering of any Certificates, the Issuer and any of its respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock and/or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and any of its respective subsidiaries and its affiliates, the Issuer and any of its respective subsidiaries and affiliates may enter into transactions in the Underlying Stock and/or related derivatives which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

- (z) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;

- (aa) certain risks relating to the Issuer's operating environment and strategy, including those as set out in Appendix 2 of the Base Listing Document, may impact the Issuer's ability to execute its strategy and directly affect its business activities, financial condition, results of operations and prospects. As a broad-based international financial services firm, the Issuer is inherently

exposed to risks that become apparent only with the benefit of hindsight, risks of which it is not presently aware or which it currently does not consider to be material could also materially affect its business activities, financial condition, results of operations and prospects. The sequence in which the risk factors are set out in Appendix 2 of the Base Listing Document is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences;

- (bb) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited (“**CDP**”):-
- (i) investors should note that no definitive certificate will be issued in relation to the Certificates;
 - (ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;
 - (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and
 - (iv) notices to such Certificate Holders will be published on the website of the SGX-ST. Investors will need to check the website of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;
- (cc) Generally, investing in the Certificates may involve risks related to the discontinuance, changes or adjustments to benchmarks generally

Discontinuance of, or changes to, benchmarks may require adjustments to the Issuer's agreements, systems and processes. The interbank offered rate(s) and other interest rate, equity, commodity, foreign exchange and other types of indices which are deemed to be "benchmarks", are the subject of national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be or may be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Certificates referencing such a benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks or any of the international or national reforms in making any investment decision with respect to any Certificates referencing a benchmark.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	5,000,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Singapore Airlines Limited (the “ Underlying Stock ” or the “ Underlying ”)
ISIN:	CH1227876427
Company:	Singapore Airlines Limited (RIC: SIAL.SI)
Underlying Price ³ and Source:	S\$7.21 (Bloomberg)
Calculation Agent:	UBS AG acting through its London Branch
Strike Level:	Zero
Daily Leverage:	-5x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 0.40
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	7.50%, is a hedging cost against extreme market movements overnight.
Stock Borrowing Cost ⁶ :	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost ⁶ :	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Launch Date:	28 June 2023
Closing Date:	6 July 2023

³ These figures are calculated as at, and based on information available to the Issuer on or about 6 July 2023. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 6 July 2023.

⁴ Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to “Fees and Charges” below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.

⁵ Please note that the Gap Premium is calculated on a 360-day basis.

⁶ These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days’ notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Expected Listing Date:	7 July 2023
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 23 May 2025
Expiry Date:	30 May 2025 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	29 May 2025 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount (if positive) payable in the Settlement Currency equal to: Closing Level multiplied by the Notional Amount per Certificate Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 32 to 46 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from Expected Listing Date to Valuation Date) of $(1 - \text{Management Fee} \times (\text{ACT}(t-1;t) \div 360)) \times (1 - \text{Gap Premium}(t-1) \times (\text{ACT}(t-1;t) \div 360))$, where:

“**t**” refers to “**Observation Date**” which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section on pages 32 to 46 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Inverse Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Inverse Strategy is set out in the “Specific Definitions relating to the Leverage Inverse Strategy” section on pages 14 to 18 below.

Initial Exchange Rate: 1

Final Exchange Rate: 1

Air Bag Mechanism: The “**Air Bag Mechanism**” refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents approximately 75% loss after a 5 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.

Trading of Certificates is suspended for at least 30 minutes of continuous trading after the Air Bag is triggered. The resumption of trading is subject further to SGX-ST’s requirements, including at

least 30 minutes from the time of publication of an announcement on the exchange in respect of the Air Bag Mechanism being triggered, and at least 15 minutes after the SGX-ST grants an approval to resume trading, whichever is later, rounded to the next quarter of an hour.

The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero.

Please refer to the “Air Bag Mechanism” section on page 18 below and the “Description of Air Bag Mechanism” section on pages 38 to 39 of this document for further information of the Air Bag Mechanism.

Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
Underlying Stock Currency:	Singapore Dollar (“ SGD ”)
Settlement Currency:	SGD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (“ SGX-ST ”)
Relevant Stock Exchange for the Underlying Stock:	The SGX-ST
Business Day, Settlement Business Day and Exchange Business Day:	A “ Business Day ”, a “ Settlement Business Day ” or an “ Exchange Business Day ” is a day (excluding Saturdays, Sundays and public holidays) on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.
Warrant Agent:	The Central Depository (Pte) Limited (“ CDP ”)
Clearing System:	CDP
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to

their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and the Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.

Further Information:

Please refer to the website at <http://dlc.ubs.com> for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Inverse Strategy

Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 5 times daily leveraged inverse exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 5 times the inverse performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Inverse Strategy Formula

LSL_t means the Leverage Inverse Strategy Level as of the Leverage Reset Time (t), calculated in accordance with the following formulae:

On Leverage Reset Time(1):

$$LSL_1 = 1000$$

On each subsequent Leverage Reset Time(t):

$$LSL_t = \text{Max} \left[LSL_{r(t)} \times \left(1 + LR_{r(t),t} - FC_{r(t),t} - SB_{r(t),t} - RC_{r(t),t} \right), 0 \right]$$

Leverage Reset Time (t)	<p>means</p> <p>1) the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date; and</p> <p>2) end of any Intraday Restrike Event Observation Period.</p> <p>Leverage Reset Time (1) is the scheduled close for the Relevant Stock Exchange for the Underlying Stock on Issue Date.</p>
Leverage Reset Time r(t)	<p>means the Leverage Reset Time immediately preceding the Leverage Reset Time (t).</p>
LR_{r(t),t}	<p>means the Leveraged Return of the Underlying Stock between Leverage Reset Time r(t) and Leverage Reset Time (t), calculated as follows:</p> $LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right)$
FC_{r(t),t}	<p>means, the Funding Cost between the Leverage Reset Time r(t) (included) and the Leverage Reset Time (t) (excluded) calculated as follows:</p> <p>If the Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,</p> $FC_{r(t),t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{r(t)} \times \text{ACT}(r(t), t)}{\text{DayCountBasisRate}}$ <p>Otherwise, $FC_{r(t),t} = 0$</p>
SB_{r(t),t}	<p>means the Stock Borrowing Cost between the Leverage Reset Time r(t) (included) and the Leverage Reset Time (t) (excluded) calculated as follows:</p> <p>If the Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,</p> $SB_{r(t),t} = -\text{Leverage} \times \frac{\text{CB} \times \text{ACT}(r(t), t)}{\text{DayCountBasisRate}}$ <p>Otherwise, $SB_{r(t),t} = 0$</p>
CB	<p>means the Cost of Borrowing applicable that is equal to: 2.00%</p>
RC_{r(t),t}	<p>means the Rebalancing Cost of the Leverage Inverse Strategy as at Leverage Reset Time (t), calculated as follows:</p> $RC_{r(t),t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left \frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right \right) \times \text{TC}$
TC	<p>means the Transaction Costs applicable as determined by the Calculation Agent (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to :</p> <p>0.04%</p> <p>“Stamp Duty” refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the</p>

Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.

Leverage

-5

S_t

means the Underlying Stock Price as of Leverage Reset Time (t) computed as follows, subject to the adjustments and provisions of the Conditions:

If the Leverage Reset Time (t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

S_t is the Closing Price of the Underlying Stock as of such Observation Date.

Otherwise,

S_t is the highest price of the Underlying Stock during the respective Intraday Restrike Observation Period.

Rfactor_t

means an amount determined by the Calculation Agent, according to the following formula, subject to the adjustments and provisions of the Conditions:

If in respect of the Leverage Reset Time (t), the immediately preceding Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

$$\text{Rfactor}_t = 1 - \frac{\text{Div}_t}{S_{r(t)}}$$

Otherwise,

$$\text{Rfactor}_t = 1$$

Where

Div_t is the dividend to be paid out in respect of the Underlying Stock on the Observation Date of the Leverage Reset Time (t) if such Observation Date is an ex-dividend date, otherwise is zero. The dividend shall be considered gross of any applicable withholding taxes.

Rate_t

means, in respect of each Observation Date of Leverage Reset Time (t), the daily Singapore Overnight Rate Average (SORA) provided by the Monetary Authority of Singapore as administrator of the benchmark (or a successor administrator), as published on Refinitiv Screen (SORA=MAST) or any successor page, being the rate as of day (t) at 09:00 Singapore time, provided that if such rate is not available, then such rate shall be determined by reference to the last available rate that was published on the relevant Refinitiv page.

Benchmark Event

means:

- (a) the relevant reference rate has ceased to be published on the relevant screen page as a result of such benchmark ceasing to be calculated or administered; or
- (b) a public statement by the administrator of the relevant reference rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such reference rate) it has ceased publishing such reference rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or
- (c) a public statement by the supervisor of the administrator of the relevant reference rate that such reference rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the relevant reference rate as a consequence of which Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used, or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Certificates; or
- (e) a public statement by the supervisor of the administrator of the relevant reference rate that, in the view of such supervisor, such reference rate is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market or the methodology to calculate such reference rate has materially changed; or
- (f) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any holder of the Certificates using the relevant reference rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the subparagraphs above, where the relevant Benchmark Event is a public statement within subparagraphs (b), (c), (d) or (e) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

ACT(r(t),t)

ACT (r(t),t) means the number of calendar days between the Observation Date of the Leverage Reset Time r(t) (included) and the Observation Date of the Leverage Reset Time (t) (excluded).

DayCountBasisRate

365

Air Bag Mechanism

Intraday Restrike Event	means in respect of an Observation Date, the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the amount of $S_{r(t)} \times Rfactor_t$ where $r(t)$ means the immediately preceding Leverage Reset Time prior to such Calculation Time.
Calculation Time	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.
TimeReferenceOpening	means the scheduled opening time (including pre-opening session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
TimeReferenceClosing	means the scheduled closing time (including closing auction session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
Intraday Restrike Event Observation Period	means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes of continuous trading after the Intraday Restrike Event Time and (2) the TimeReferenceClosing. Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.
Intraday Restrike Event Time	means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status, Transfer and Title

- (a) *Form.* The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-
- (i) a master instrument by way of deed poll (the "**Master Instrument**") dated 28 June 2023, made by UBS AG (the "**Issuer**") acting through its London Branch; and
 - (ii) a warrant agent agreement (the "**Master Warrant Agent Agreement**" or "**Warrant Agent Agreement**") dated any time on or before the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Certificate Holders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (b) *Status.* The Certificates constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise and, in particular, the Certificates will not be secured by any underlying assets. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.
- (c) *Transfer.* The Certificates are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression "**Certificate Holder**" shall be construed accordingly.

2. Certificate Rights and Exercise Expenses

- (a) *Certificate Rights.* Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Certificate, shall be an amount (if positive) payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The "**Closing Level**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

- (i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event provided that the Issuer, if applicable, may, but shall not be obliged to, determine such Final Reference Level or the relevant closing level by having regard to the manner in which futures contracts relating to the Underlying Stock are calculated.

"**Market Disruption Event**" means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange, if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

- (b) *Exercise Expenses.* Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the "**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the

foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

- (c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. Exercise of Certificates

- (a) *Exercise.* Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
- (c) *Settlement.* In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the Warrant Agent who will then pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be dispatched by the Warrant Agent as soon as practicable and no later than five Settlement Business Days (as defined in the relevant Supplemental Listing Document) following the Expiry Date (subject to extension upon the occurrence of a Market Disruption Event (as defined above) by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

The Issuer's obligations to pay the Cash Settlement Amount shall be discharged by payment to the Warrant Agent in accordance with the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (d) *CDP not liable.* CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a "**Business Day**" shall be a day (excluding Saturdays, Sundays and public holidays) on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.
- (b) *Definitions.* "*Potential Adjustment Event*" means any of the following:
 - (i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer

acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

- (iii) an extraordinary dividend;
 - (iv) a call by the Company in respect of the Underlying Stock that is not fully paid;
 - (v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
 - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;
 - (ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or
 - (iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or

more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. “**Nationalisation**” means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

- (e) *Subdivision or Consolidation of the Certificates.* The Issuer reserves the right to subdivide or consolidate the Certificates, provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).
- (f) *Other Adjustments.* Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events (including the events as contemplated in Conditions 6(a) to 6(e)) occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) and irrespective of, in substitution for, or in addition to the provisions contemplated in Conditions 6(a) to 6(e) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or as the case may be, amendment provided that such adjustment or as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).
- (g) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given notice as soon as practicable of any adjustment and of the date from which such adjustment is effective in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer or its related corporations may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

- (a) *Meetings of Certificate Holders.* The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting two or more

persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.
- (b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the website of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the website of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates.

12. Delisting

- (a) *Delisting.* If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

- (a) *Early Termination for Illegality etc.* The Issuer shall have the right to terminate the Certificates if it shall have determined in its absolute discretion that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control its performance thereunder shall have become unlawful in whole or in part under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power ("**Applicable Law**").

For the purposes of this Condition:

"**Regulatory Event**" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or any of its affiliates involved in the issue of the Certificates (hereafter the "**Relevant Affiliates**" and each of the Issuer and the Relevant Affiliates, a "**Relevant Entity**") that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase,

substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"Change in Law" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

- (b) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(c) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction).
- (c) *Termination.* If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by the Applicable Law, pay to each Certificate Holder in respect of each Certificate held by such Certificate Holder an amount calculated by it as the fair market value of the Certificate immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Certificate Holder in such manner as shall be notified to the Certificate Holder in accordance with Condition 9.

14. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

15. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

16. Contracts (Rights of Third Parties) Act 2001 of Singapore

Unless otherwise expressly provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	UBS AG acting through its London Branch
Company:	Singapore Airlines Limited
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	5,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 28 June 2023 (the “ Master Instrument ”) and executed by the Issuer and a master warrant agent agreement dated 27 February 2008 (the “ Master Warrant Agent Agreement ”) and made between the Issuer and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 5:00 p.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates

- Transfers of Certificates: Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
- Listing: Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 7 July 2023.
- Governing Law: The laws of Singapore
- Warrant Agent: The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589
- Further Issues: Further issues which will form a single series with the Certificates will be permitted.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO
THE EUROPEAN STYLE CASH SETTLED SHORT CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Short Certificates on Single Equities?

European style cash settled short certificates on single equities (the “**Certificates**”) are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Inverse Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

(1) is the Final Reference Level multiplied by the Final Exchange Rate;

(2) is the Initial Reference Level multiplied by the Initial Exchange Rate;

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will decrease and are seeking short-term leveraged inverse exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

- (i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and
- (ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and the Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
--------------------	---	---------------------------

Daily Fees	=	<table border="1"> <tr> <td style="text-align: center;">Daily Management Fee Adjustment</td> </tr> <tr> <td style="text-align: center;">$1 - \text{Management Fee} \times \text{ACT}(t-1;t) / 360$</td> </tr> </table>	Daily Management Fee Adjustment	$1 - \text{Management Fee} \times \text{ACT}(t-1;t) / 360$
		Daily Management Fee Adjustment		
$1 - \text{Management Fee} \times \text{ACT}(t-1;t) / 360$				
x	<table border="1"> <tr> <td style="text-align: center;">Daily Gap Premium Adjustment</td> </tr> <tr> <td style="text-align: center;">$1 - \text{Gap Premium}(t-1) \times \text{ACT}(t-1;t) / 360$</td> </tr> </table>	Daily Gap Premium Adjustment	$1 - \text{Gap Premium}(t-1) \times \text{ACT}(t-1;t) / 360$	
Daily Gap Premium Adjustment				
$1 - \text{Gap Premium}(t-1) \times \text{ACT}(t-1;t) / 360$				

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

Value of Certificates	=	<table border="1"> <tr> <td style="text-align: center;">$t=0$</td> </tr> <tr> <td style="text-align: center;">Notional Amount</td> </tr> </table>	$t=0$	Notional Amount	x	<table border="1"> <tr> <td style="text-align: center;">$t=1$</td> </tr> <tr> <td style="text-align: center;">Leverage Inverse Strategy daily performance⁸ x Daily Fees</td> </tr> </table>	$t=1$	Leverage Inverse Strategy daily performance ⁸ x Daily Fees	x	<table border="1"> <tr> <td style="text-align: center;">$t=2$</td> </tr> <tr> <td style="text-align: center;">Leverage Inverse Strategy daily performance x Daily Fees</td> </tr> </table>	$t=2$	Leverage Inverse Strategy daily performance x Daily Fees	x ...	<table border="1"> <tr> <td style="text-align: center;">$t=i$</td> </tr> <tr> <td style="text-align: center;">Leverage Inverse Strategy Daily performance x Daily Fees</td> </tr> </table>	$t=i$	Leverage Inverse Strategy Daily performance x Daily Fees
		$t=0$														
Notional Amount																
$t=1$																
Leverage Inverse Strategy daily performance ⁸ x Daily Fees																
$t=2$																
Leverage Inverse Strategy daily performance x Daily Fees																
$t=i$																
Leverage Inverse Strategy Daily performance x Daily Fees																

Value of Certificates	=	<table border="1"> <tr> <td style="text-align: center;">$t=0$</td> </tr> <tr> <td style="text-align: center;">Notional Amount</td> </tr> </table>	$t=0$	Notional Amount	x	<table border="1"> <tr> <td style="text-align: center;">Product of the daily Leverage Inverse Strategy Performance</td> </tr> <tr> <td style="text-align: center;">Leverage Inverse Strategy daily performance x Leverage Inverse Strategy daily performance</td> </tr> </table>	Product of the daily Leverage Inverse Strategy Performance	Leverage Inverse Strategy daily performance x Leverage Inverse Strategy daily performance	x	<table border="1"> <tr> <td style="text-align: center;">Product of the Daily Fees (Hedging Fee Factor)</td> </tr> <tr> <td style="text-align: center;">Daily Fees x Daily Fees</td> </tr> </table>	Product of the Daily Fees (Hedging Fee Factor)	Daily Fees x Daily Fees
		$t=0$										
Notional Amount												
Product of the daily Leverage Inverse Strategy Performance												
Leverage Inverse Strategy daily performance x Leverage Inverse Strategy daily performance												
Product of the Daily Fees (Hedging Fee Factor)												
Daily Fees x Daily Fees												

Final Value of Certificates	=	<table border="1"> <tr> <td style="text-align: center;">$t=0$</td> </tr> <tr> <td style="text-align: center;">Notional Amount</td> </tr> </table>	$t=0$	Notional Amount	x	<table border="1"> <tr> <td style="text-align: center;">Final Reference Level x Final Exchange Rate</td> </tr> <tr> <td style="text-align: center;">÷</td> </tr> <tr> <td style="text-align: center;">Initial Reference Level x Initial Exchange Rate</td> </tr> </table>	Final Reference Level x Final Exchange Rate	÷	Initial Reference Level x Initial Exchange Rate	x	<table border="1"> <tr> <td style="text-align: center;">Hedging Fee Factor</td> </tr> </table>	Hedging Fee Factor
		$t=0$										
Notional Amount												
Final Reference Level x Final Exchange Rate												
÷												
Initial Reference Level x Initial Exchange Rate												
Hedging Fee Factor												

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

⁷ "t" refers to "Observation Date" which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date.

⁸ Leverage Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Level on Business Day (t) divided by the Leverage Inverse Strategy Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you **MUST NOT** rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary shares of Singapore Airlines Limited
Expected Listing Date:	01/02/2021
Expiry Date:	16/02/2021
Initial Reference Level:	1,000
Initial Exchange Rate:	1
Final Reference Level:	1,200
Final Exchange Rate:	1
Issue Price:	0.40 SGD
Notional Amount per Certificate:	0.40 SGD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	7.50%
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n^{th} Exchange Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

$$\text{HFF}(0) = 100\%$$

On Next Calendar Day (assuming it is an Exchange Business Day):

$$\text{HFF}(1) = \text{HFF}(0) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 7.50\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9792\% \approx 99.9781\%$$

Assuming 2nd Exchange Business Day falls 3 Calendar Days after 1st Exchange Business Day:

$$\text{HFF}(2) = \text{HFF}(1) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF (2)} = 99.9781\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 7.50\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9781\% \times 99.9967\% \times 99.9375\% \approx 99.9122\%$$

The same principle applies to the following Exchange Business Days:

$$\text{HFF (n)} = \text{HFF (n - 1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t - 1; t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t - 1; t)}}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.6713% as illustrated below:

Date	HFF
2/1/2021	100.0000%
2/2/2021	99.9781%
2/3/2021	99.9561%
2/4/2021	99.9342%
2/5/2021	99.9123%
2/8/2021	99.8465%
2/9/2021	99.8246%
2/10/2021	99.8027%
2/11/2021	99.7808%
2/12/2021	99.7589%
2/15/2021	99.6932%
2/16/2021	99.6713%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

$$\text{Closing Level} = [(\text{Final Reference Level} \times \text{Final Exchange Rate}) / (\text{Initial Reference Level} \times \text{Initial Exchange Rate}) - \text{Strike Level}] \times \text{Hedging Fee Factor}$$

$$= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.6713\%$$

$$= 119.61\%$$

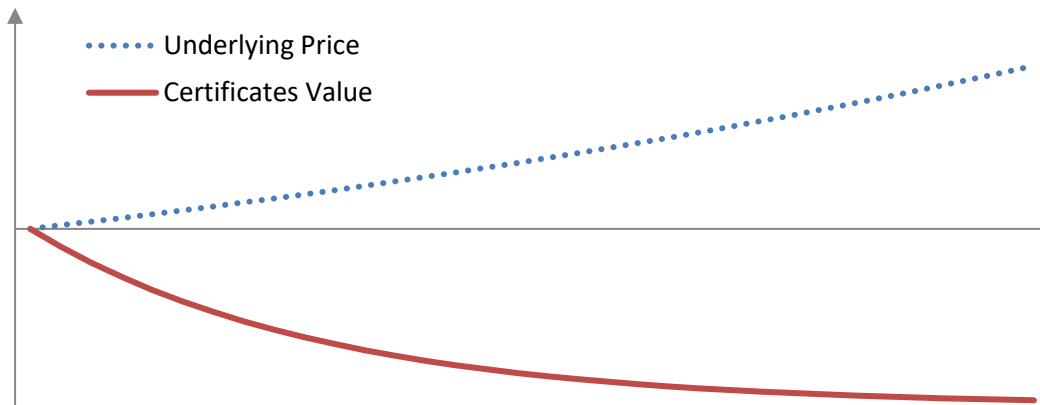
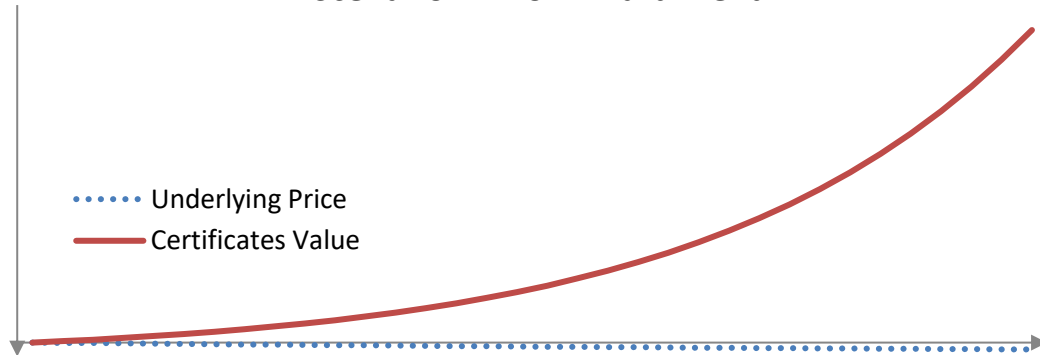
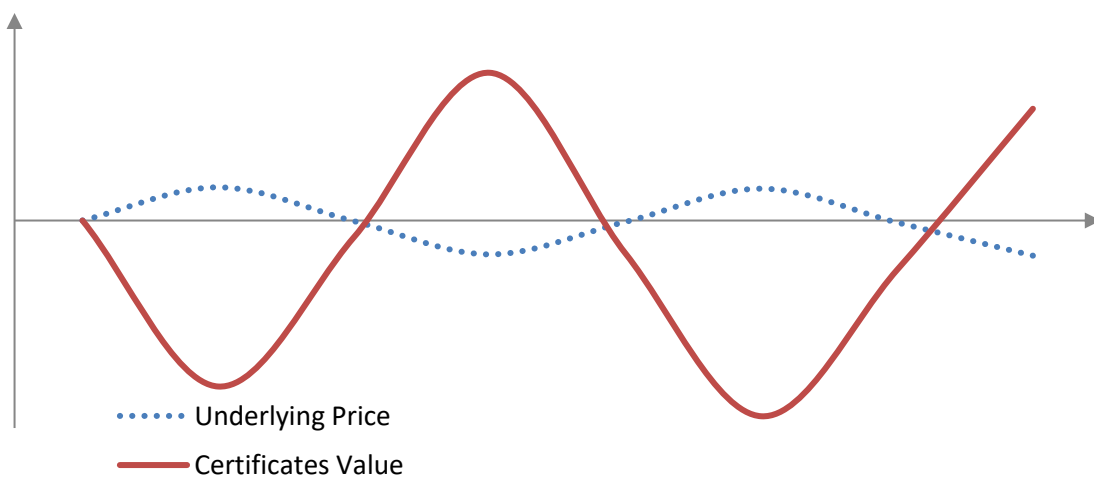
$$\text{Cash Settlement Amount} = \text{Closing Level} \times \text{Notional Amount per Certificate}$$

$$= 119.61\% \times 0.40 \text{ SGD}$$

$$= \mathbf{0.478 \text{ SGD}}$$

Illustration on how returns and losses can occur under different scenarios

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples**Scenario 1 - Upward Trend****Scenario 2 - Downward Trend****Scenario 3 - Volatile Market**

2. Numerical Examples

Scenario 1 – Upward Trend

		Underlying				
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	2.00%	2.00%	2.00%	2.00%
Value at end of day	10,000.00	10,200.00	10,404.00	10,612.08	10,824.32	11,040.81
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

		Value of the Certificates				
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Price at end of day	0.40	0.36	0.32	0.29	0.26	0.24
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 2 – Downward Trend

		Underlying				
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-2.00%	-2.00%	-2.00%	-2.00%	-2.00%
Value at end of day	10,000.00	9,800.00	9,604.00	9,411.92	9,223.68	9,039.21
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

		Value of the Certificates				
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		10.00%	10.00%	10.00%	10.00%	10.00%
Price at end of day	0.40	0.44	0.48	0.53	0.59	0.64
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 3 – Volatile Market

		Underlying				
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	-2.00%	-2.00%	2.00%	2.00%
Value at end of day	10,000.00	10,200.00	9,996.00	9,796.08	9,992.00	10,191.84
Accumulated Return		2.00%	-0.04%	-2.04%	-0.08%	1.92%

		Value of the Certificates				
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-10.00%	10.00%	10.00%	-10.00%	-10.00%
Price at end of day	0.40	0.36	0.40	0.44	0.39	0.35
Accumulated Return		-10.00%	-1.00%	8.90%	-1.99%	-11.79%

Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

In accordance with the Air Bag Mechanism timeline below, when the Air Bag triggers, the following typically occurs:

- Observation Period : the price of the Underlying Stock is observed and its maximum price is recorded (i) during 15 minutes of continuous trading after the Air Bag is triggered, or (ii) until Market Close if there is 15 minutes (or less) of continuous trading until Market Close when the Air Bag is triggered; and
- Reset Period: thereafter, the Leverage Inverse Strategy is reset using the maximum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Inverse Strategy.

During the Observation Period and Reset Period, trading of Certificates is suspended for **at least** 30 minutes of continuous trading after the Air Bag is triggered. Investors cannot sell or purchase any Certificates during this period. The Reset Period (and consequently the resumption of trading) is subject further to SGX-ST’s requirements, including at least 30 minutes from the time of publication of an announcement on the exchange in respect of the Air Bag Mechanism being triggered, and at least 15 minutes after the SGX-ST grants an approval to resume trading, whichever is later, rounded to the next quarter of an hour.

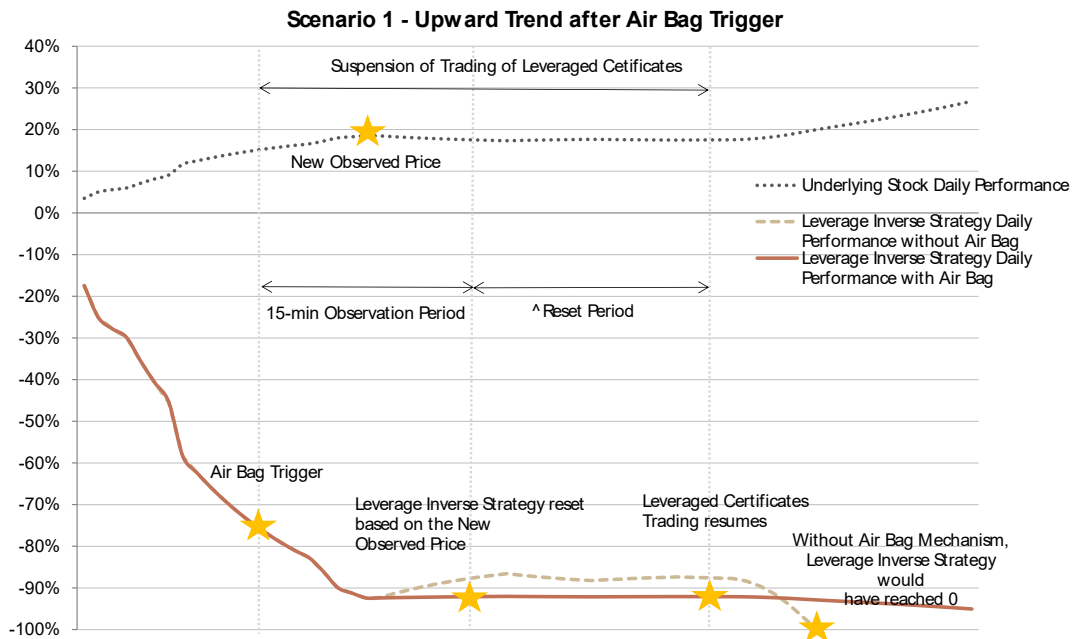
The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

For the avoidance of doubt, if the Air Bag Mechanism was triggered with more than 60 minutes of continuous trading before Market Close, trading of Certificates will resume the same trading day after the Reset Period has elapsed, subject to the SGX-ST’s approval to resume trading. If the Air Bag Mechanism was triggered between 45 minutes and 60 minutes of continuous trading before Market Close, trading of Certificates may or may not resume the same trading day after the Reset Period has elapsed. If the Air Bag Mechanism was triggered with only 45 minutes (or less) of continuous trading before Market Close, trading of Certificates resumes on the next trading day.

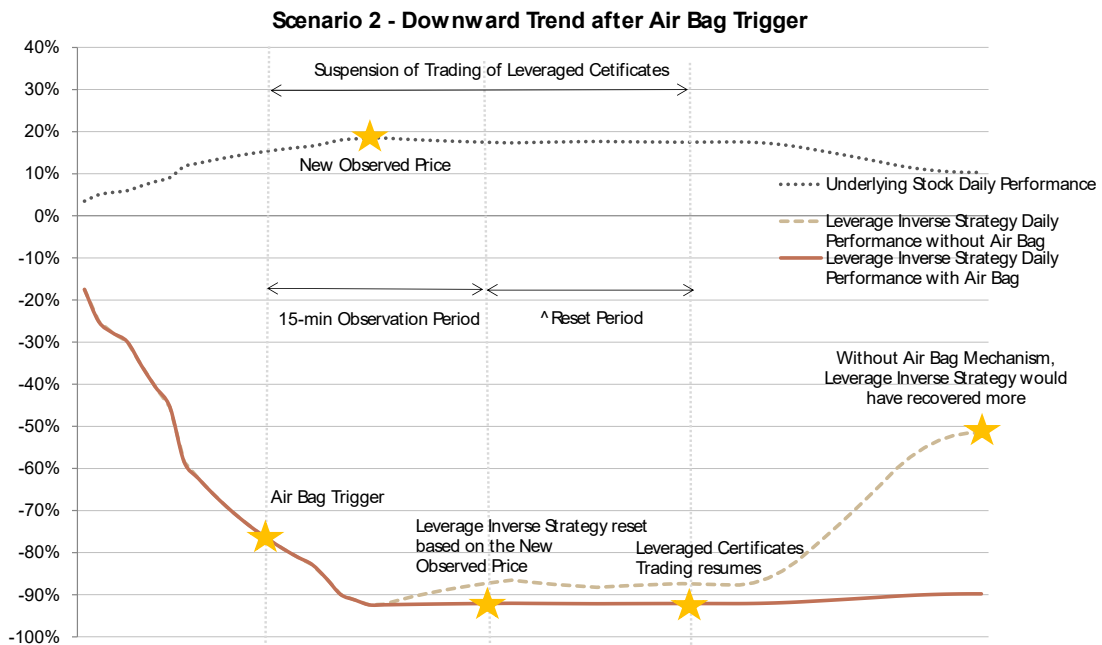
With **Market Close** defined as:

- Underlying Stock closing time with respect to the Observation Period including the closing auction session
- The sooner between Underlying Stock closing time of continuous trading and SGX-ST closing time of continuous trading with respect to the resumption of trading

Illustrative examples of the Air Bag Mechanism⁹



^ The Reset Period (and consequently the resumption of trading) is subject further to SGX-ST's requirements, including at least 30 minutes from the time of publication of an announcement on the exchange in respect of the Air Bag Mechanism being triggered, and at least 15 minutes after the SGX-ST grants an approval to resume trading, whichever is later, rounded to the next quarter of an hour.



^ The Reset Period (and consequently the resumption of trading) is subject further to SGX-ST's requirements, including at least 30 minutes from the time of publication of an announcement on the exchange in respect of the Air Bag Mechanism being triggered, and at least 15 minutes after the SGX-ST grants an approval to resume trading, whichever is later, rounded to the next quarter of an hour.

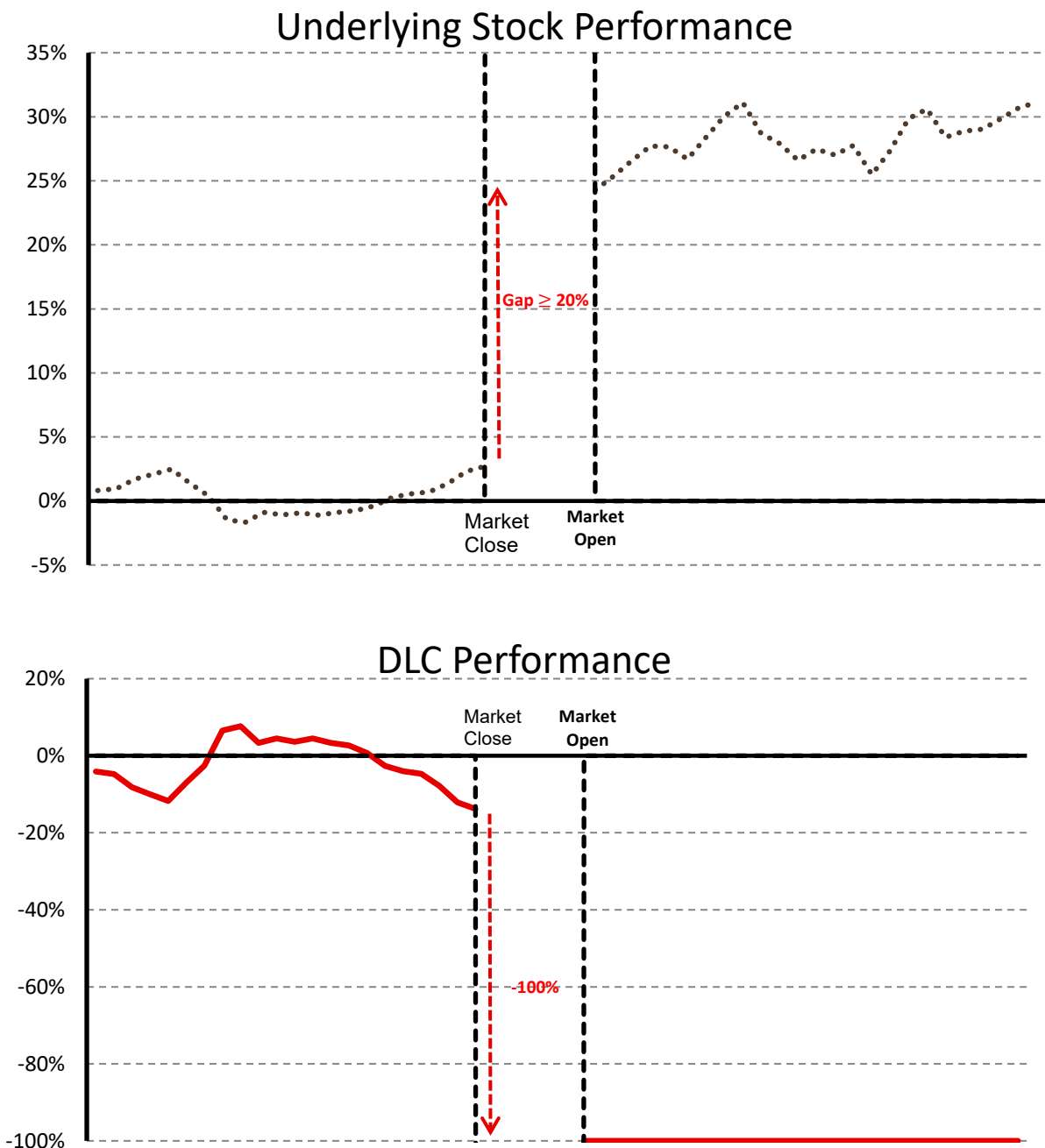
⁹ The illustrative examples are not exhaustive.

Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

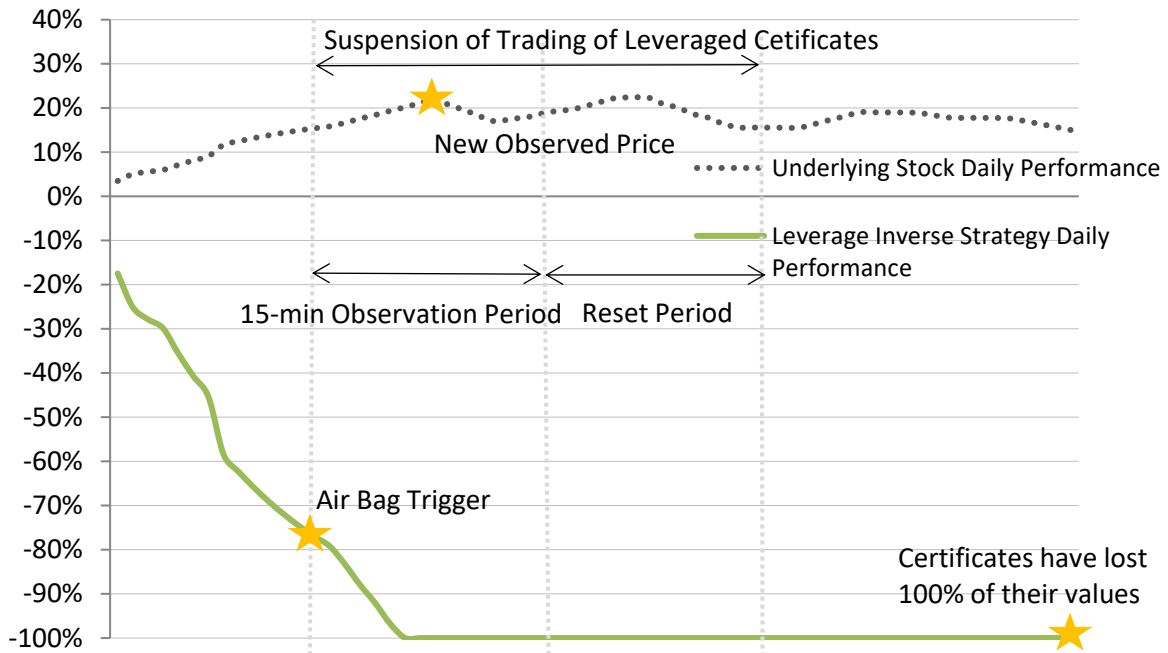
Scenario 1 – Overnight rise of the Underlying Stock

On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a “gap”. If the opening price of the Underlying Stock is 20% or more above the previous day closing price, the Air Bag Mechanism would only be triggered when the market (in respect of which the Underlying Stock is listed) opens the following day (including pre-opening trading session and extended auction hours, if applicable), and the Certificates would lose their entire value in such event.



Scenario 2 – Sharp intraday rise of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock rises by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag event has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag events have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event the Observation Date of the Leverage Reset Time(t) is an ex-date with respect to a corporate action related to the Underlying Stock, and the immediately preceding Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto), the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Leverage Reset Time (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{S_{r(t)}} \right] \times \frac{1}{1 + M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price rises by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$DivExc_t$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$$S_{r(t)} = \$100$$

$$S_t = \$51$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

M = 1 (i.e. 1 new Shares for 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0}{100} \right] \times \frac{1}{1 + 1} = 50\%$$

As a consequence:

$$\text{LR}_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{51}{100 \times 50\%} - 1 \right) = -10\%$$

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.40	0.36	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$57.5, which is 15% above \$50, the Underlying Stock Reference Price.

2. Share Consolidation

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$$S_{r(t)} = \$100$$

$$S_t = \$202$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0}{100} \right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$\text{LR}_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{202}{100 \times 200\%} - 1 \right) = -5\%$$

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.40	0.38	-5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$230, which is 15% above \$200, the Underlying Stock Reference Price.

3. Rights Issues

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of \$40.

$$S_{r(t)} = \$100$$

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

$$R = \$40 \text{ (i.e. subscription price of \$40)}$$

$$M = 0.5 \text{ (i.e. 1 new share for every 2 existing shares)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100} \right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = -25\%$$

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.40	0.30	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

$$S_{r(t)} = \$100$$

$$S_t = \$85$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$R = \$0$$

$M = 0.2$ (i.e. 1 new share for 5 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100} \right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{85}{100 \times 83.33\%} - 1 \right) = -10\%$$

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.40	0.36	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$95.83, which is 15% above \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

$$S_{r(t)} = \$100$$

$$S_t = \$84$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$20$$

$$R = \$0$$

$M = 0$

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100} \right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = -25\%$$

$S_{r(t)}$	$S_{r(t)} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate r(t)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.40	0.30	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of the SGX-ST at <http://www.sgx.com>. The Issuer has not independently verified any of such information.

Singapore Airlines Limited (“**Singapore Airlines**” or the “**Company**”) was incorporated as a public company with limited liability and a wholly-owned subsidiary of Temasek Holdings (Private) Limited on 28 January 1972.

Its history began in 1947 when a twin-engined Airspeed Consul under the Malayan Airways Ltd’s insignia started scheduled services between Singapore, Kuala Lumpur, Ipoh and Penang. Malayan Airways Ltd grew steadily and by 1955, international services were added to its operations.

With the formation of the Federation of Malaysia in 1963, the airline was renamed Malaysian Airways Ltd. In 1966 the governments of Malaysia and Singapore acquired joint control of the airline, which was then renamed Malaysia-Singapore Airlines Ltd (“**MSA**”). In 1971, MSA was restructured into 2 entities: Singapore Airlines and Malaysia Airline System.

Singapore Airlines, a full member of the global Star Alliance, is one of the world’s premium airlines, with the distinction of operating a young and modern fleet. The Singapore Airlines route network extends across 105 destinations in 37 countries, including those served by its subsidiaries, Singapore Airlines Cargo and SilkAir. The Singapore Airlines Group has over 20 subsidiaries, covering a range of airline-related services, from cargo to engine overhaul. Its subsidiaries also include SIA Engineering Company, Scoot, Tiger Airways, Singapore Flying College and Tradewinds Tours and Travel.

Principal activities of the Group consist of air transportation, engineering services and other airline related activities.

The information set out in the Appendix to this document relates to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2023 and has been extracted and reproduced from an announcement by the Company released on 28 June 2023 in relation to the same. Further information relating to the Company may be located on the web-site of the SGX-ST at <http://www.sgx.com>.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

UBS AG, acting through its London Branch, has been appointed the designated market maker (“DMM”) for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

- (a) Maximum bid and offer spread : (i) when the best bid price of the Certificate is S\$10 and below: 10 ticks or S\$0.20 whichever is greater; and
(ii) when the best bid price of the Certificate is above S\$10: 5% of the best bid price of the Certificate.
- (b) Minimum quantity subject to bid and offer spread : 10,000 Certificates
- (c) Last Trading Day for Market Making : The date falling 5 Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

- (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (ii) if the Certificates are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);
- (iii) where the Certificates are suspended from trading for any reason;
- (iv) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;
- (v) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (vi) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (vii) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;
- (viii) if the stock market experiences exceptional price movement and volatility;
- (ix) when it is a public holiday in Singapore and/or the SGX-ST is not open for dealings; and
- (x) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Business Day immediately preceding the Expiry Date.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

United Kingdom

In relation to each tranche of Certificates, the Issuer has represented, warranted and agreed that:

(a) No deposit-taking: in relation to any Certificates having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Certificates other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Certificates would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

(b) Financial Promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not or would not, if the Issuer was not an authorised person, apply to the Issuer; and

(c) General Compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not offered, sold or otherwise made available such Certificates to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to the public in the United Kingdom except that it may make an offer of such Certificates to the public in the United Kingdom:

- a) if the Supplemental Listing Document in relation to the Certificates specifies an offer of those Certificates may be made other than pursuant to Article 1(4) of the UK Prospectus Regulation in the United Kingdom (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Certificates which either (i) has been approved by the UK Financial Conduct Authority ("**FCA**"), or (ii) is to be treated as if it had been approved by the FCA in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation); or
- d) at any time in any other circumstances falling within section 86 of the FSMA, provided that no such offer of Certificates to the public referred to in (a) to (c) above shall require the publication of a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation,

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

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

United States of America

The Certificates have not been, and will not be, registered under the Securities Act. Subject to certain exceptions, Certificates, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Certificates, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. The Certificates will not be offered, sold or delivered within the United States or to U.S. persons. As used herein, "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and "**U.S. person**" means (i) any citizen or resident of the United States, including any corporation, partnership or other entity created or organised in or under the laws of the United States or of any political subdivision thereof, (ii) any estate or trust the income of which is subject to United States income taxation regardless of its source, (iii) "U.S. person" as such term is defined in (a) Regulation S under the Securities Act or (b) the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the U.S. Commodity Futures Trading Commission ("**CFTC**") pursuant to the U.S. Commodity Exchange Act of 1936, as amended, or (iv) a person other than a "Non-United States Person" as defined in CFTC Rule 4.7, in each case, as such definition is amended, modified or supplemented from time to time.

Prohibition of Sales to European Economic Area

If the applicable Supplemental Listing Document in respect of any Certificates specifies the "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", the Issuer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");
- (ii) a customer within the meaning of Directive 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates.

PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS REGULATION

If the Supplemental Listing Document specifies "Prohibition of Sales to European Economic Area Retail Investors" as "Not Applicable", in relation to each member state of the European

Economic Area (each, a "**Relevant State**"), the Issuer has represented, warranted and agreed that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Listing Document as completed by this Supplemental Listing Document to the public in that Relevant State except that it may make an offer of such Certificates to the public in that Relevant State:

(a) Approved listing document: if the Supplemental Listing Document in relation to the Certificates specifies that an offer of those Certificates may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a listing document in relation to such Certificates which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such listing document has subsequently been completed by the Supplemental Listing Document contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such listing document or Supplemental Listing Document, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) Fewer than 150 offered: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Issuer for any such offer; or

(d) Other exempt offers: at any time in any other circumstances falling within Article 3(2) of the Prospectus Regulation,

provided that no such offer of Certificates referred to in (b) to (d) above shall require the Issuer to publish a listing document pursuant to Article 3 of the Prospectus Regulation or supplement a listing document pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Certificates to the public**" in relation to any Certificates in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates, as the same may be varied in that Relevant State by any measure implementing the Prospectus Regulation in that Relevant State.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act 2001 of Singapore.

Hong Kong

No person, other than a person permitted to do so under the securities laws of Hong Kong, has issued, or had in its possession for the purposes of issue, or will issue, or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Certificates, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong and any rules made thereunder.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 267 of the Base Listing Document.

1. Save as disclosed in the Base Listing Document and herein, there is no litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Certificates to which the Issuer is a party nor, to the best of its knowledge and belief, is there any threatened litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the issue of the Certificates which would in either case jeopardise its ability to discharge its obligations in respect of the Certificates.
 2. UBS AG, Singapore Branch at 9 Penang Road, Singapore 238459, has been authorised to accept, on behalf of the Issuer, service of process and any other notices required to be served on the Issuer. Any notices required to be served on the Issuer should be sent to UBS AG, Singapore Branch at the above address for the attention of Han-Kiat Tan, Legal & Compliance.
 3. Settlement of trades done on a normal “ready basis” on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in board lots of 100 Certificates in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed “Summary of the Issue” above.
 4. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.
 5. There has been no adverse change, material in the context of the issue of the Certificates, in the financial position of the Issuer since 31 March 2023.
 6. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and may be material to the issue of the Certificates:
 - (a) the Master Instrument; and
 - (b) the Master Warrant Agent Agreement.
- None of the directors of the Issuer has any direct or indirect interest in any of the above contracts.
7. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.
 8. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the office of Allen & Gledhill LLP at One Marina Boulevard #28-00, Singapore 018989, during the period of 14 days from the date of this document:

- (a) the articles of association of the Issuer;
- (b) the latest financial reports (including the notes thereto) of the Issuer;
- (c) the Base Listing Document; and
- (d) this document.

APPENDIX

**REPRODUCTION OF THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 OF
SINGAPORE AIRLINES LIMITED AND ITS SUBSIDIARIES**

Independent Auditors' Report

To The Members Of Singapore Airlines Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Airlines Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2023, the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 109 to 209.

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

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

To The Members Of Singapore Airlines Limited

Accounting for the carrying values of aircraft and related assets

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

The key audit matter	How the matter was addressed in our audit
<p>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.</p> <p>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.</p> <p>The recoverable amount of the LCC CGU was estimated based on their value-in-use calculations.</p> <p>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.</p> <p>As a result of the high degree of estimation uncertainty and significant judgement involved, this is a key area of focus for our audit.</p>	<p>We assessed the appropriateness of Management's allocation of aircraft and related assets to the LCC CGU.</p> <p>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.</p> <p>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.</p> <p>We assessed if the methodology adopted by Management is reasonable and in accordance with relevant accounting policies.</p> <p>We involved our internal valuation specialists to assess the discount rate adopted by management.</p> <p>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.</p> <p>We checked the arithmetical accuracy of the computations used in assessing the recoverable amounts of the LCC CGU.</p>

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

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

Statements of Changes in Equity

For the Financial Year ended 31 March 2023 (in \$ Million)

The Group

	Notes	Share capital	Mandatory convertible bonds	Treasury shares
Balance at 1 April 2022		7,180.2	9,691.2	(106.5)
<u>Comprehensive income</u>				
Currency translation differences	16(b)	-	-	-
Net fair value changes on cash flow hedges	16(d)	-	-	-
Actuarial gain on revaluation of defined benefit plans		-	-	-
Share of other comprehensive income of associated and joint venture companies		-	-	-
Other comprehensive income for the financial year, net of tax		-	-	-
Profit for the financial year		-	-	-
Total comprehensive income for the financial year		-	-	-
<u>Transactions with owners, recorded directly in equity</u>				
<u>Contributions by and distributions to owners</u>				
Redemption of mandatory convertible bonds		-	(3,496.1)	-
Changes in ownership interest without loss of control		-	-	-
Share-based compensation expense	5	-	-	-
Treasury shares reissued pursuant to equity compensation plans	15	-	-	32.7
Acquisition of a subsidiary company with non-controlling interests		-	-	-
Dividends	12	-	-	-
Total transactions with owners		-	(3,496.1)	32.7
Balance at 31 March 2023		7,180.2	6,195.1	(73.8)

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

Attributable to owners of the Company

Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non-controlling interests	Total equity
(107.3)	(16.2)	20.7	1,076.2	4,673.6	22,411.9	388.5	22,800.4
-	(11.7)	-	-	-	(11.7)	(4.0)	(15.7)
-	-	-	(573.1)	-	(573.1)	-	(573.1)
-	-	-	-	5.2	5.2	-	5.2
7.4	(4.5)	-	3.8	-	6.7	1.0	7.7
7.4	(16.2)	-	(569.3)	5.2	(572.9)	(3.0)	(575.9)
-	-	-	-	2,156.8	2,156.8	6.5	2,163.3
7.4	(16.2)	-	(569.3)	2,162.0	1,583.9	3.5	1,587.4
-	-	-	-	(363.9)	(3,860.0)	-	(3,860.0)
-	-	(3.8)	-	(0.6)	(4.4)	(0.1)	(4.5)
-	-	23.5	-	-	23.5	-	23.5
(16.1)	-	(16.1)	-	-	0.5	-	0.5
-	-	-	-	-	-	1.2	1.2
-	-	-	-	(297.1)	(297.1)	(1.6)	(298.7)
(16.1)	-	3.6	-	(661.6)	(4,137.5)	(0.5)	(4,138.0)
(116.0)	(32.4)	24.3	506.9	6,174.0	19,858.3	391.5	20,249.8

Statements of Changes in Equity

For the Financial Year ended 31 March 2023 (in \$ Million)

The Group

	Notes	Share capital	Mandatory convertible bonds	Treasury shares
Balance at 1 April 2021		7,180.2	3,496.1	(133.2)
<u>Comprehensive income</u>				
Currency translation differences	16(b)	-	-	-
Net fair value changes on cash flow hedges	16(d)	-	-	-
Actuarial gain on revaluation of defined benefit plans		-	-	-
Share of other comprehensive income of associated and joint venture companies		-	-	-
Other comprehensive income for the financial year, net of tax		-	-	-
(Loss)/Profit for the financial year		-	-	-
Total comprehensive income for the financial year		-	-	-
<u>Transactions with owners, recorded directly in equity</u>				
<u>Contributions by and distributions to owners</u>				
Issue of mandatory convertible bonds		-	6,195.1	-
Changes in ownership interest without loss of control		-	-	-
Share-based compensation expense	5	-	-	-
Treasury shares reissued pursuant to equity compensation plans	15	-	-	26.7
Dividends	12	-	-	-
Total transactions with owners		-	6,195.1	26.7
Balance at 31 March 2022		7,180.2	9,691.2	(106.5)

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

Attributable to owners of the Company

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

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

Consolidated Statement of Cash Flows

For the Financial Year ended 31 March 2023 (in \$ Million)

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

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

Consolidated Statement of Cash Flows

For the Financial Year ended 31 March 2023 (in \$ Million)

	Notes	The Group	
		FY2022/23	FY2021/22
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure	36	(1,601.8)	(3,048.7)
Purchase of intangible assets		(82.2)	(74.4)
(Payments for)/Proceeds from disposal of aircraft and other property, plant and equipment		(3.8)	22.9
Proceeds from disposal of assets held for sale		17.5	277.0
Proceeds from sale and leaseback transactions		1,210.3	760.8
Proceeds from disposal of long-term investments		21.6	21.0
Purchase of short-term investments		(134.5)	(200.6)
Proceeds from disposal of short-term investments		132.6	66.1
Dividends received from associated and joint venture companies		36.7	31.9
Dividends received from investments		4.0	4.0
Interest received from investments and deposits		315.4	33.5
Proceeds from finance leases		9.2	9.0
Investments in an associated company		(54.8)	(152.9)
Acquisition of a subsidiary company, net of cash acquired		(4.2)	-
Proceeds from disposal of an associated company		-	3.8
NET CASH USED IN INVESTING ACTIVITIES		(134.0)	(2,246.6)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	12	(297.1)	-
Dividends paid by subsidiary companies to non-controlling interests	12	(1.6)	(1.4)
Interest paid		(332.6)	(277.0)
Redemption of mandatory convertible bonds		(3,860.0)	-
Proceeds from borrowings		6.2	8.0
Repayment of borrowings		(988.0)	(697.8)
Repayment of lease liabilities		(740.3)	(677.4)
Proceeds from issuance of mandatory convertible bonds		-	6,196.8
Payment of transaction costs related to issuance of mandatory convertible bonds		-	(1.7)
Repayment of bonds		-	(200.0)
Proceeds from issuance of bonds		-	813.1
Payment of transaction costs from issuance of bonds		-	(1.8)
Payment of transaction costs related to borrowings		-	(1.1)
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		(6,213.4)	5,159.7
NET CASH INFLOW		2,782.7	5,954.6
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR			
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 31 March 2023
	Balance at 1 April 2022/ date of grant	Adjustment	Vested	
RSP				
19.07.2019	179,950	-	(179,950)	-
16.07.2020	893,076	-	(460,228)	432,848
15.07.2021	1,640,725	463,875 [#]	(745,220)	1,359,380
14.07.2022	1,856,506	-	-	1,856,506
	4,570,257	463,875	(1,385,398)	3,648,734
PSP				
19.07.2019	608,880	(150,290) [#]	(458,590)	-
16.07.2020	605,600	-	-	605,600
15.07.2021	717,293	-	-	717,293
14.07.2022	666,516	-	-	666,516
	2,598,289	(150,290)	(458,590)	1,989,409
Transformation Share Award ("TSA")				
19.07.2019	13,500	10,800 [^]	(24,300)	-
	13,500	10,800	(24,300)	-
SSA				
16.07.2020	239,000	191,200 [^]	(430,200)	-
05.02.2021	19,650	-	(9,825)	9,825
15.07.2021	410,150	-	(205,075)	205,075
14.07.2022	964,900	-	(482,450)	482,450
23.12.2022	36,300	-	-	36,300
	1,670,000	191,200	(1,127,550)	733,650

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

5 Staff Costs (in \$ million) (continued)

Share-based compensation arrangements (continued)

(b) Measurement of fair values

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

	FY2022/23		
	RSP	PSP	SSA
Valuation Method	Monte Carlo Simulation		
Expected dividend paid yield (%)	Management's forecast in line with dividend policy		
Expected volatility (%)	20.47 - 30.05	30.05	20.47 - 26.86
Risk-free interest rate (%)	2.71 - 2.74	2.71	2.73 - 2.74
Expected term (years)	0.96 - 2.96	2.96	0.96 - 1.96
Share price at date of grant (\$)	5.22	5.22	5.22
Estimated fair value (\$)	4.92 - 5.11	6.95	5.02 - 5.22
	FY2021/22		
	RSP	PSP	SSA
Valuation Method	Monte Carlo Simulation		
Expected dividend paid yield (%)	Management's forecast in line with dividend policy		
Expected volatility (%)	28.70 - 33.98	28.70	32.36 - 33.98
Risk-free interest rate (%)	0.34 - 0.56	0.56	0.34 - 0.41
Expected term (years)	0.96 - 2.96	2.96	0.96 - 1.96
Share price at date of grant (\$)	4.89	4.89	4.89
Estimated fair value (\$)	4.89	6.67	4.89

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

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

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

7 Finance Charges (in \$ million)

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

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

8 Interest Income (in \$ million)

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

9 Other Non-Operating Items (in \$ million)

	The Group	
	FY2022/23	FY2021/22
Provision for onerous contracts	(72.7)	(38.9)
Impairment of long term investments	(3.2)	(5.2)
Write-back of provision/(Provision) for ECL on investments and loans	1.1	(5.1)
Write-back of provision/(Provision) for ECL on other debtors	3.4	(4.7)
Gain/(Loss) on sale and leaseback transactions	10.2	(3.9)
Write-back of impairment/(Impairment) of investment in an associated company	2.0	(2.1)
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	-
	(127.3)	237.6

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

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

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

Global minimum tax

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

11 Earnings/(Loss) Per Share

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

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

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

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

12 Dividends Paid and Proposed (in \$ million)

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

13 Share Capital (in \$ million)

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

The value is \$0.50

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

14 Mandatory Convertible Bonds (in \$ million)

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

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

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

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

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

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

15 Treasury Shares (in \$ million)

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

16 Other Reserves (in \$ million)

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

(a) Capital reserve

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

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

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Share-based compensation reserve

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

(d) Fair value reserve

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

Breakdown of the fair value reserves is as follows:

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

16 Other Reserves (in \$ million) (continued)

(d) Fair value reserve (continued)

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

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

(e) General reserve

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

17 Deferred Taxation (in \$ million)

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

17 Deferred Taxation (in \$ million) (continued)

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

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

18 Borrowings (in \$ million)

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

18 Borrowings (in \$ million) (continued)

Loans (continued)

The Company

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

18 Borrowings (in \$ million) (continued)

Convertible bonds

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

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

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

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

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

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

19 Other Long-term Liabilities (in \$ million)

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

20 Provisions (in \$ million)

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

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

An analysis of the provisions is as follows:

	The Group		
	Return costs for leased aircraft	Others	Total
Balance at 1 April 2021	1,223.6	170.4	1,394.0
Provision during the year	211.3	55.6	266.9
Provision written back during the year	(11.7)	(19.7)	(31.4)
Provision utilised during the year	(202.8)	(98.9)	(301.7)
Balance at 31 March 2022	1,220.4	107.4	1,327.8
Current	130.5	52.9	183.4
Non-current	1,089.9	54.5	1,144.4
	1,220.4	107.4	1,327.8
Balance at 1 April 2022	1,220.4	107.4	1,327.8
Provision during the year	142.7	96.1	238.8
Provision written back during the year	(16.7)	-	(16.7)
Provision utilised during the year	(67.5)	(45.0)	(112.5)
Balance at 31 March 2023	1,278.9	158.5	1,437.4
Current	287.1	103.2	390.3
Non-current	991.8	55.3	1,047.1
	1,278.9	158.5	1,437.4
	The Company		
	Return costs for leased aircraft	Others	Total
Balance at 1 April 2021	564.0	166.6	730.6
Provision during the year	131.9	53.4	185.3
Provision written back during the year	-	(19.7)	(19.7)
Provision utilised during the year	(171.1)	(95.9)	(267.0)
Effects of integration of SilkAir	10.9	-	10.9
Balance at 31 March 2022	535.7	104.4	640.1
Current	87.1	49.9	137.0
Non-current	448.6	54.5	503.1
	535.7	104.4	640.1
Balance at 1 April 2022	535.7	104.4	640.1
Provision during the year	68.4	96.5	164.9
Provision written back during the year	(16.7)	-	(16.7)
Provision utilised during the year	(33.9)	(44.2)	(78.1)
Balance at 31 March 2023	553.5	156.7	710.2
Current	84.1	101.4	185.5
Non-current	469.4	55.3	524.7
	553.5	156.7	710.2

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

The Group

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2021	23,156.7	561.5	332.5
Additions	80.7	11.9	-
Transfers	1,348.5	0.7	12.8
Transfer to assets held for sale	(365.3)	-	(52.5)
Disposals	(1,513.7)	(12.4)	-
Write-off	(2.6)	-	-
Exchange differences	10.6	-	-
At 31 March 2022	22,714.9	561.7	292.8
Additions	193.7	63.7	13.5
Transfers	1,512.4	0.1	(24.6)
Acquisition of a subsidiary company	-	-	-
Disposals	(1,779.3)	(11.3)	-
Exchange differences	(28.0)	(0.1)	-
At 31 March 2023	22,613.7	614.1	281.7
Accumulated depreciation and impairment losses			
At 1 April 2021	6,454.4	360.9	196.9
Depreciation	1,343.1	17.0	19.4
Impairment losses	38.0	-	-
Transfers	(1.5)	-	1.5
Transfer to assets held for sale	(231.6)	-	(46.7)
Disposals	(597.7)	(11.0)	-
Write-off	(2.6)	-	-
Exchange differences	-	-	-
At 31 March 2022	7,002.1	366.9	171.1
Depreciation	1,370.8	21.0	18.8
Transfers	16.1	-	(16.1)
Acquisition of a subsidiary company	-	-	-
Disposals	(579.9)	(4.8)	-
Exchange differences	-	(0.1)	-
At 31 March 2023	7,809.1	383.0	173.8
Net book value			
At 31 March 2022	15,712.8	194.8	121.7
At 31 March 2023	14,804.6	231.1	107.9

Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
15.7	135.4	630.7	761.8	359.8	6,455.7	32,409.8
-	-	0.1	5.8	11.5	3,527.1	3,637.1
-	-	4.2	3.9	1.2	(1,371.3)	-
-	-	-	-	-	-	(417.8)
-	-	-	(8.3)	(5.9)	-	(1,540.3)
-	-	-	-	-	-	(2.6)
-	-	0.2	0.2	-	-	11.0
15.7	135.4	635.2	763.4	366.6	8,611.5	34,097.2
-	-	1.0	8.6	4.0	1,710.3	1,994.8
-	-	-	0.5	9.4	(1,497.8)	-
-	-	-	6.2	0.4	-	6.6
-	-	-	(48.5)	(10.8)	(7.5)	(1,857.4)
-	-	(0.8)	(1.0)	(0.1)	-	(30.0)
15.7	135.4	635.4	729.2	369.5	8,816.5	34,211.2
-	130.3	531.6	558.7	305.5	388.2	8,926.5
-	2.9	9.8	53.2	18.7	-	1,464.1
-	-	-	1.0	-	-	39.0
-	-	-	1.1	(1.1)	-	-
-	-	-	-	-	-	(278.3)
-	-	-	(8.0)	(5.6)	-	(622.3)
-	-	-	-	-	-	(2.6)
-	-	0.1	0.1	-	-	0.2
-	133.2	541.5	606.1	317.5	388.2	9,526.6
-	2.0	9.9	49.5	18.8	-	1,490.8
-	-	-	-	-	-	-
-	-	-	5.8	0.3	-	6.1
-	-	-	(48.5)	(10.3)	-	(643.5)
-	-	(0.3)	(0.8)	(0.1)	-	(1.3)
-	135.2	551.1	612.1	326.2	388.2	10,378.7
15.7	2.2	93.7	157.3	49.1	8,223.3	24,570.6
15.7	0.2	84.3	117.1	43.3	8,428.3	23,832.5

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

The Company

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2021	18,809.2	421.1	110.6
Additions	80.7	9.3	-
Transfers	1,318.0	-	2.2
Transfer to assets held for sale	(32.2)	-	-
Effects of integration of SilkAir	393.1	14.2	56.7
Disposals	(1,427.2)	(2.3)	-
Exchange differences	8.8	-	-
At 31 March 2022	19,150.4	442.3	169.5
Additions	193.7	23.2	13.5
Transfers	1,421.5	-	(24.6)
Disposals	(733.0)	(11.2)	-
Exchange differences	(24.6)	-	-
At 31 March 2023	20,008.0	454.3	158.4
Accumulated depreciation and impairment losses			
At 1 April 2021	5,110.7	259.7	64.0
Depreciation	1,172.1	11.8	15.4
Impairment losses	38.0	-	-
Transfers	(1.5)	-	1.5
Transfer to assets held for sale	(14.9)	-	-
Effects of integration of SilkAir	63.4	4.1	15.2
Disposals	(511.6)	(1.0)	-
At 31 March 2022	5,856.2	274.6	96.1
Depreciation	1,219.3	14.6	14.5
Transfers	16.1	-	(16.1)
Disposals	(361.1)	(4.7)	-
At 31 March 2023	6,730.5	284.5	94.5
Net book value			
At 31 March 2022	13,294.2	167.7	73.4
At 31 March 2023	13,277.5	169.8	63.9

Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
15.7	135.4	330.1	425.3	268.0	5,300.0	25,815.4
-	-	-	2.4	10.0	3,267.0	3,369.4
-	-	-	-	0.3	(1,320.5)	-
-	-	-	-	-	-	(32.2)
-	-	-	1.8	1.4	63.2	530.4
-	-	-	(1.6)	(5.1)	-	(1,436.2)
-	-	-	-	-	-	8.8
15.7	135.4	330.1	427.9	274.6	7,309.7	28,255.6
-	-	-	4.0	2.9	1,859.6	2,096.9
-	-	-	-	3.2	(1,400.1)	-
-	-	-	(46.0)	(9.3)	-	(799.5)
-	-	-	-	-	-	(24.6)
15.7	135.4	330.1	385.9	271.4	7,769.2	29,528.4
-	130.3	321.4	263.8	229.2	388.2	6,767.3
-	2.9	1.8	38.2	12.4	-	1,254.6
-	-	-	1.0	-	-	39.0
-	-	-	-	-	-	-
-	-	-	-	-	-	(14.9)
-	-	-	1.6	1.4	-	85.7
-	-	-	(1.5)	(4.7)	-	(518.8)
-	133.2	323.2	303.1	238.3	388.2	7,612.9
-	2.0	1.5	37.5	12.4	-	1,301.8
-	-	-	-	-	-	-
-	-	-	(46.1)	(8.8)	-	(420.7)
-	135.2	324.7	294.5	241.9	388.2	8,494.0
15.7	2.2	6.9	124.8	36.3	6,921.5	20,642.7
15.7	0.2	5.4	91.4	29.5	7,381.0	21,034.4

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

Assets held as security

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

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

Write-back of impairment/Impairment of aircraft

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

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

Write-back of impairment/Impairment of base maintenance assets

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

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

Assets held for sale

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

Impairment test

Management's annual impairment assessment covers the following CGUs:

FSC CGU

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

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

LCC CGU

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

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

Sensitivity Analysis

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

The Group

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

The Company

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

Impairment testing of ROU assets

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

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

Effects of integration of SilkAir

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

23 Intangible Assets (in \$ million)

The Group

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

23 Intangible Assets (in \$ million) (continued)

The Company

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

Impairment of goodwill

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

24 Subsidiary Companies (in \$ million)

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

24 Subsidiary Companies (in \$ million) (continued)

During the financial year:

- 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.
- 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.
- SIAEC invested approximately \$0.6 million in SIA Engineering Japan Corporation.
- The Company injected approximately \$27.0 million in Encounters Pte. Ltd.
- Tradewinds Tours & Travel Private Limited ceased operations.

(a) Composition of the Group

The subsidiary companies are:

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

24 Subsidiary Companies (in \$ million) (continued)

(a) Composition of the Group (continued)

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group	
			31 March 2023	2022
Cargo Community Network Pte Ltd⁽¹⁾ and its subsidiary	Providing and marketing of cargo community system	Singapore	51.0	51.0
Cargo Community (Shanghai) Co. Ltd. ⁽³⁾⁺	Marketing and support of portal services for the air cargo industry	People's Republic of China	51.0	51.0
Budget Aviation Holdings Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100.0	100.0
Encounters Pte. Ltd. ⁽¹⁾	Travel booking and related services through an online portal	Singapore	100.0	100.0
Kris+ Pte. Ltd. ⁽¹⁾	Marketing, payment and related services	Singapore	100.0	100.0
SilkAir (Singapore) Private Limited ⁽¹⁾	Inactive	Singapore	100.0	100.0
Singapore Airlines Cargo Pte Ltd ⁽¹⁾	Inactive	Singapore	100.0	100.0
Singapore Aviation and General Insurance Company (Pte) Limited ⁽¹⁾	Aviation insurance	Singapore	100.0	100.0
Singapore Flying College Pte Ltd ⁽¹⁾	Training of pilots	Singapore	100.0	100.0
Sing-Bi Funds Private Limited ⁽¹⁾	Investment holding	Singapore	100.0	100.0
Tradewinds Tours & Travel Private Limited ⁽¹⁾	Tour wholesaling	Singapore	100.0	100.0
KrisShop Pte. Ltd. ⁽¹⁾	Travel-related retail operations	Singapore	70.0	70.0

⁽¹⁾ Audited by KPMG LLP, Singapore

⁽²⁾ Audited by member firms of KPMG International in the respective countries

⁽³⁾ Audited by Shanghai HDDY Certified Public Accountants Co., Ltd

⁽⁴⁾ Not required to be audited under the law in country of incorporation

⁽⁵⁾ Not required to be audited by KPMG LLP, Singapore in current year

* The company is considered a subsidiary of the Group by virtue of the management control over financial and operating policies of the company

+ Financial year end 31 December

Special purpose entities ("SPEs")

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

24 Subsidiary Companies (in \$ million) (continued)

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

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

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

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

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

Summarised statement of financial position

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

Summarised statement of comprehensive income

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

24 Subsidiary Companies (in \$ million) (continued)

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

Other summarised information

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

(d) Acquisition of a subsidiary company - APACS

FY2022/23

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

Goodwill

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

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

25 Associated Companies (in \$ million)

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

During the financial year:

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

25 Associated Companies (in \$ million) (continued)

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

Summarised statement of financial position

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

Summarised statement of comprehensive income

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

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

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

Summarised statement of comprehensive income

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

26 Joint Venture Companies (in \$ million)

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

The joint venture companies are:

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

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

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

28 Other Long-Term Assets (in \$ million)

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

29 Inventories (in \$ million)

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

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

30 Trade Debtors (in \$ million)

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

30 Trade Debtors (in \$ million) (continued)

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

31 Deposits and Other Debtors (in \$ million)

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

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

32 Investments (in \$ million)

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
<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.

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

40 Financial Instruments (in \$ million) (continued)

Master netting or similar agreements (continued)

The Company	Effects of offsetting in the statements of financial position			Related amounts not offset	
	Gross amounts	Gross amounts set-off in the statements of financial position	Net amounts presented in the statements of financial position	Amounts subject to master netting arrangements	Net amount
<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		The Company	
	FY2022/23	FY2021/22	FY2022/23	FY2021/22
Change in fair value of hedging instrument	(159.9)	1,423.0	(159.9)	1,423.0
Change in fair value of hedged item	158.5	(1,436.0)	158.5	(1,436.0)

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

Jet fuel price sensitivity analysis

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

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

Sensitivity analysis on outstanding fuel derivative contracts:

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

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

^{R1} Sensitivity analysis on outstanding fuel hedging contracts.

^{R2} Sensitivity analysis on outstanding fuel derivative contracts which have been de-designated from a hedge relationship and fuel derivative contracts.

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

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

Fair value hedges

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

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

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

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

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

43 Capital Management (in \$ million)

The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events, such as the Covid-19 pandemic, on cash flows.

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

43 Capital Management (in \$ million) (continued)

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

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

44 Related Party Transactions (in \$ million)

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

Key Management Personnel remuneration of the Group

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

* Amount less than \$0.1 million

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

RSP Base Awards

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

RSP Final Awards (Pending Release)^{R1}

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

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

PSP Base Awards^{R2}

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

SSA Base Awards

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

SSA Base Awards Final Awards (Pending Release)^{R3}

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year ended 31 March 2023

45 Subsequent Events

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

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

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	32.7
- unit cost	(cents/ctk)	24.9	27.2	32.3	16.4	16.5	16.2	16.8	18.9	21.4	21.9
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.

REGISTERED OFFICE OF THE ISSUER

UBS AG, London Branch
5 Broadgate
London
EC2M 2QS
United Kingdom

ISSUER'S AUDITORS

Ernst & Young Ltd
Aeschengraben 9
P.O. Box 2149 CH-4002 Basel
Switzerland

LEGAL ADVISERS

(as to Singapore law)

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

WARRANT AGENT

The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589