



ANNUAL
REPORT
FY 2019 / 20

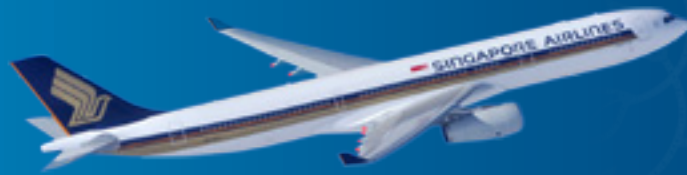


A STAR ALLIANCE MEMBER



MISSION STATEMENT

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





CONTENTS

OVERVIEW

- 2 Three-year Financial Highlights
- 3 SIA Group Portfolio
- 4 Statistical Highlights
- 6 Significant Events
- 8 Covid-19
- 12 Our Transformation Journey

STRATEGY

- 14 Our Strategy for the Future
- 16 Chairman's Letter to Shareholders
- 18 Board of Directors

PERFORMANCE

- 20 The Year in Review
- 22 Network
- 24 Fleet Management
- 25 Products and Services
- 32 SIA Cargo
- 34 People Development
- 36 Environment
- 38 Community Engagement
- 40 Subsidiaries
- 46 Financial Review
- 62 Awards

GOVERNANCE

- 64 Statement on Risk Management
- 66 Corporate Governance Report
- 86 Membership and Attendance of Singapore Airlines Limited
- 87 Further Information on Board of Directors

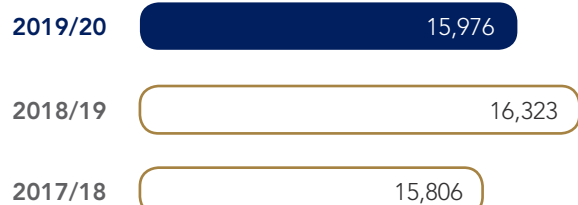
FINANCIAL

- 92 Financial Report
- 214 Information on Shareholdings
- 216 Share Price and Turnover
- 217 Additional Information Required by the Singapore Exchange Securities
- 219 Notice of Annual General Meeting
- 226 Additional Information on Directors Seeking Re-election
- IBC Corporate Data

THREE-YEAR FINANCIAL HIGHLIGHTS

TOTAL GROUP REVENUE

(\$ million)



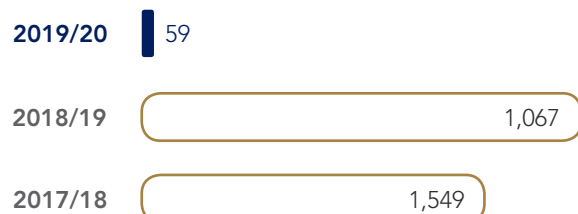
NET ASSET VALUE PER SHARE:

\$7.86

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

GROUP OPERATING PROFIT

(\$ million)



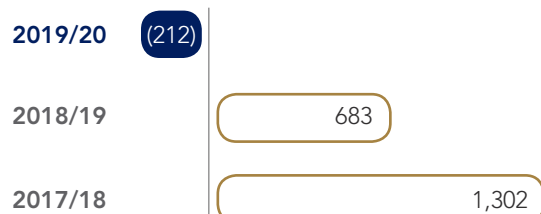
TOTAL DIVIDEND PER SHARE:

8 cents

No final dividend will be paid for 2019/20. The interim dividend of 8 cents per share paid on 27 November 2019, will be the total dividend for the 2019/20 financial year.

GROUP NET (LOSS)/PROFIT

(\$ million)



LOSS PER SHARE:

(17.9) cents

Loss per share is computed by dividing loss attributable to owners of the Company by the weighted average number of ordinary shares in issue excluding treasury shares.

SIA GROUP PORTFOLIO

During the year in review, until the disruptions caused by the Covid-19 outbreak, the Singapore Airlines Group had continued to expand its global network, bringing greater convenience to customers and further reinforcing its position as a global leader in key markets.



20,906,659 passengers carried in FY2019/20	4,439,631 passengers carried in FY2019/20	10,454,313 passengers carried in FY2019/20
122 aircraft in operating fleet^	25 aircraft in operating fleet#^	49 aircraft in operating fleet^
2 new destinations introduced	36 destinations served*	11 new destinations introduced
66 destinations served*		68 destinations served*



TOTAL:

35,800,603
passengers carried in FY2019/20

196
passenger aircraft in
operating fleet#^

136
destinations
served*

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

^ Operating fleet includes aircraft that were withdrawn from service for temporary storage due to significant capacity cuts arising from the Covid-19 pandemic.

* Figure refers to the total number of unique destinations operated by the SIA Group airlines, and includes destinations that we have temporarily stopped flying to due to the Covid-19 outbreak.

STATISTICAL HIGHLIGHTS

Financial Statistics^{R1}

	2019/20	2018/19	% Change	
The Group				
Financial Results (\$ million)				
Total revenue	15,975.9	16,323.2	-	2.1
Total expenditure	15,916.8	15,256.1	+	4.3
Operating profit	59.1	1,067.1	-	94.5
(Loss)/Profit before taxation	(220.2)	868.6		n.m.
(Loss)/Profit attributable to owners of the Company	(212.0)	682.7		n.m.
Financial Position (\$ million)				
Share capital	1,856.1	1,856.1		-
Treasury shares	(156.0)	(171.5)	+	9.0
Capital reserve	(112.7)	(124.3)	+	9.3
Foreign currency translation reserve	(5.3)	(33.2)	+	84.0
Share-based compensation reserve	25.7	24.9	+	3.2
Fair value reserve	(2,150.9)	459.7		n.m.
General reserve	9,857.2	11,275.1	-	12.6
Equity attributable to owners of the Company	9,314.1	13,286.8	-	29.9
Return on equity holders' funds (%) ^{R2}	(1.9)	5.2	-	7.1 points
Total assets	33,712.8	30,505.2	+	10.5
Total debt	11,784.5	6,654.4	+	77.1
Total debt : equity ratio (times) ^{R3}	1.27	0.50	+	0.77 times
Value added	4,775.3	5,314.3	-	10.1
Per Share Data				
(Loss)/Earnings - basic (cents) ^{R4}	(17.9)	57.7		n.m.
(Loss)/Earnings - diluted (cents) ^{R5}	(17.9)	57.4		n.m.
Net asset value (\$) ^{R6}	7.86	11.22	-	29.9
Dividends				
Interim dividend (cents per share)	8.0	8.0		-
Final dividend (cents per share)	-	22.0	-	22.0 cents
Dividend cover (times) ^{R7}	(2.2)	1.9	-	4.1 times
The Company				
Financial Results (\$ million)				
Total revenue	13,012.7	13,144.2	-	1.0
Total expenditure	12,718.5	12,153.7	+	4.6
Operating profit	294.2	990.5	-	70.3
(Loss)/Profit before taxation	(290.3)	938.8		n.m.
(Loss)/Profit after taxation	(283.5)	779.1		n.m.
Value added	3,374.6	4,123.4	-	18.2

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

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

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

^{R4} (Loss)/Earnings per share (basic) is computed by dividing (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue excluding treasury shares.

^{R5} (Loss)/Earnings per share (diluted) is computed by dividing (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue excluding treasury shares, adjusted for the dilutive effect of outstanding share awards granted to employees.

^{R6} Net asset value per share is computed by dividing equity attributable to owners of the Company by the number of ordinary shares in issue excluding treasury shares at 31 March.

^{R7} Dividend cover is (loss)/profit attributable to owners of the Company divided by total dividends.

Operating Statistics

	2019/20	2018/19	% Change	
Singapore Airlines				
Passenger Operations				
Passengers carried (thousand)	20,906	20,738	+	0.8
Revenue passenger-km (million)	104,134.6	102,571.9	+	1.5
Available seat-km (million)	127,165.8	123,486.2	+	3.0
Passenger load factor (%)	81.9	83.1	-	1.2 points
Passenger yield (cents/pkm)	10.0	10.1	-	1.0
Revenue per available seat-km (cents/ask)	8.2	8.4	-	2.4
Passenger unit cost (cents/ask)	8.0	8.3	-	3.6
Cargo Operations				
Cargo and mail carried (million kg)	1,205.0	1,298.3	-	7.2
Cargo load (million tonne-km)	6,389.2	7,006.5	-	8.8
Gross capacity (million tonne-km)	10,778.2	11,210.4	-	3.9
Cargo load factor (%)	59.3	62.5	-	3.2 points
Cargo yield (cents/ltk)	30.5	31.7	-	3.8
Cargo unit cost (cents/ctk)	16.4	16.5	-	0.6
Overall Operations				
Overall load (million tonne-km)	16,039.3	16,520.2	-	2.9
Overall capacity (million tonne-km)	23,745.0	23,694.6	+	0.2
Overall load factor (%)	67.5	69.7	-	2.2 points
Overall yield (cents/ltk)	77.0	76.3	+	0.9
Overall unit cost (cents/ctk)	50.5	50.9	-	0.8
SilkAir				
Passengers carried (thousand)	4,440	4,902	-	9.4
Revenue passenger-km (million)	8,195.4	8,940.3	-	8.3
Available seat-km (million)	10,599.6	11,731.8	-	9.7
Passenger load factor (%)	77.3	76.2	+	1.1 points
Passenger yield (cents/pkm)	10.7	10.9	-	1.8
Revenue per available seat-km (cents/ask)	8.2	8.3	-	1.2
Passenger unit cost (cents/ask)	8.9	8.5	+	4.7
Scoot				
Passengers carried (thousand)	10,454	10,455	-	-
Revenue passenger-km (million)	28,668.5	29,325.9	-	2.2
Available seat-km (million)	33,445.8	34,388.6	-	2.7
Passenger load factor (%)	85.7	85.3	+	0.4 point
Passenger yield (cents/pkm)	5.6	5.7	-	1.8
Revenue per available seat-km (cents/ask)	4.8	4.9	-	2.0
Cost per available seat-km (cents/ask)	5.4	5.2	+	3.8
Group Airlines (Passenger)				
Passengers carried (thousand)	35,800	36,095	-	0.8
Revenue passenger-km (million)	140,998.5	140,838.1	+	0.1
Available seat-km (million)	171,211.2	169,606.6	+	0.9
Passenger load factor (%)	82.4	83.0	-	0.6 point
Passenger yield (cents/pkm)	9.1	9.2	-	1.1
Revenue per available seat-km (cents/ask)	7.5	7.7	-	2.6
Employee Productivity (Average) - The Company				
Average number of employees	16,760	15,943	+	5.1
Capacity per employee (tonne-km)	1,416,772	1,486,207	-	4.7
Revenue per employee (\$)	776,414	824,450	-	5.8
Value added per employee (\$)	201,348	258,634	-	22.1
Employee Productivity (Average) - The Group				
Average number of employees	27,619	26,534	+	4.1
Revenue per employee (\$)	578,439	615,181	-	6.0
Value added per employee (\$)	172,899	200,283	-	13.7

Glossary

Singapore Airlines

Passenger Operations

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

Cargo Operations

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

Overall Operations

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

SilkAir

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

Scoot

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

Group Airlines (Passenger)

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

SIGNIFICANT EVENTS

2019



2 APRIL

SIA named TripAdvisor's 'Best Airline In The World' for the second consecutive year



15 APRIL

SIA and Garuda Indonesia expand codeshare agreement on flights between Singapore and Indonesia

23 APRIL

SIA launches the KrisFlyer UOB Credit Card, the first credit card in Singapore which can be paired with a savings account to award miles when customers spend and save

1 MAY

SilkAir launches its first flights to Busan, its first South Korean destination

4 JULY

SIA announces \$50 million upgrade of Changi Airport Terminal 3 lounges

1 AUGUST

SIA and American Express extend partnership with the launch of the American Express Singapore Airlines Business Credit Card

5 AUGUST

SIA and Vistara announce codeshare agreement for international flights

1 SEPTEMBER

SIA and COMO Shambhala launch co-developed wellness cuisine on SIA flights

3 SEPTEMBER

SIA launches non-stop flights to Seattle

17 SEPTEMBER

SIA expands KrisConnect Programme to introduce a wider range of fares and personalised content on trade partner platforms

19 SEPTEMBER

SIA extends title sponsorship for Formula 1 Singapore Grand Prix for two years





23 OCTOBER

SIA unveils enhancements for First Class, such as new champagne label Taittinger Comtes De Champagne

28 OCTOBER

SIA takes over SilkAir's Busan services to boost seat capacity to meet growing travel demand

30 OCTOBER

SIA and Malaysia Airlines announce a wide-ranging commercial agreement to share revenue and expand codeshare routes

16 DECEMBER

SIA announces plans to launch non-stop flights to Brussels



13 JANUARY

SIA and Mastercard launch KrisFlyer Experiences programme



31 JANUARY

SIA and ANA announce strategic partnership to provide customers with enhanced flight connectivity and access to a wider network



12 FEBRUARY

SIA and SIA Engineering Company sign an agreement with Sembcorp Solar to install rooftop solar panels on company premises

17 FEBRUARY

SIA announces senior management appointments

5 MARCH

SIA Cargo adds Copenhagen, Osaka and Stockholm to its THRUCOOL quality corridor network

23 MARCH

SIA announces that the scheduled passenger capacity from April 2020 will be cut by 96 per cent as the demand for air travel dropped due to the global Covid-19 outbreak

26 MARCH

SIA announces rights issue to raise up to \$15 billion in liquidity for capital and operational expenditure requirements

COVID-19

The Covid-19 pandemic has had an unprecedented impact on the aviation industry, with the airline sector facing the greatest crisis in its history. As countries around the world imposed border controls and travel restrictions to prevent the spread of the virus, airlines faced a sudden and precipitous fall in the demand for air travel. In response, the SIA Group had to significantly reduce capacity to cut operating costs and ground a large part of its fleet. The impact on the Group has been exacerbated by the absence of a domestic market to fall back on.



OUR NETWORK AND FLEET

In late-January 2020, news of the outbreak in China began to dampen travel sentiment throughout the SIA Group's network. The Group took swift action to mitigate the impact of this drop in demand by reducing our capacity to China, and implementing cuts to flight frequencies on other parts of the global network.

In March 2020, as the virus spread globally, both Singapore and most countries around the world tightened entry and transit restrictions. As a result, the Group had to make even more significant cuts to its capacity.

On 23 March 2020, the SIA Group announced that it would cut 96 per cent of the scheduled passenger capacity up to end-April. A large part of the fleet was also grounded, with only a handful of passenger aircraft out of a Group-wide fleet of more than 200 serving on a minimum flight network during this period.

SIA engaged the aircraft manufacturers early in the Covid-19 outbreak to negotiate adjustments to our delivery stream for existing aircraft orders. This will help to moderate capacity growth in the near term, while we remain committed to our longer-term fleet renewal programme.

FINANCIAL IMPACT

With the significant decline in passenger revenue, the Group took active steps to build up its liquidity. Preventive measures to conserve cash and reduce costs were taken. Capital expenditure was deferred, and discretionary operating expenditure was tightened. SIA's discussions with aircraft manufacturers to adjust the progress payments for aircraft orders would also help to reduce near-term cash outflows. The Group also tapped on lines of credit maintained for contingency situations. We also worked with suppliers and partners to reduce cost and reschedule payments, and deferred non-essential projects and imposed tight controls on discretionary spending.

The SIA Group also took steps to reduce manpower costs during this difficult time. The SIA Management team took pay cuts of 10-30 per cent of their basic salary, with the CEO taking the largest cut of 30 per cent. The SIA Board of Directors voluntarily took a 30 per cent reduction in their fees in solidarity with the management. In collaboration with staff unions, voluntary and compulsory no-pay-leave schemes and leave of absence schemes for staff on re-employment contracts were implemented. A general recruitment freeze was implemented for all staff groups. Overseas stations implemented similar measures in line with local law provisions and agreements with unions.

The Singapore government also announced support measures to mitigate the impact of Covid-19 on the aviation sector. More than \$750 million was pledged to support local wages and fund measures such as rebates on landing and parking charges, rental relief for airlines, ground handlers and cargo agents.

SHORING UP THE COMPANY'S LIQUIDITY

On 26 March 2020, SIA announced a Rights Issue comprising Rights Shares and Rights Mandatory Convertible Bonds (MCB), offered to all existing shareholders, to raise up to approximately \$8.8 billion. Up to \$6.2 billion of additional MCBs may also be issued within a 15-month period after an Extraordinary General Meeting (EGM) to provide the company with additional liquidity if needed.

SIA's largest shareholder Temasek Holdings also undertook to vote in favour of the resolutions, and procure a subscription for its full entitlement and the remaining balance of both issuances. Shareholders voted in favour of the Rights Issue at the EGM on 30 April 2020 and the Rights Issue was successfully completed in June 2020.

SIA has concurrently been exploring other sources of funding including secured financing and sale-and-leaseback of aircraft.

The proceeds from the Rights Issue will enable the Group to address its cashflow requirements for near-term operations, and provide it with the financial flexibility to capture medium to long term growth beyond the Covid-19 situation, while continuing the important task of fleet renewal and improving future operating efficiencies. This is expected to strengthen SIA's competitive advantages post Covid-19.

The additional MCBs may be drawn if the Group requires liquidity should the Covid-19 outbreak last for an extended period. It will also help the Group to capitalise on any opportunities that may arise following the abatement of the Covid-19 pandemic from a position of strength, and position SIA for growth as soon as the ongoing crisis resolves.

SAFEGUARDING OUR EMPLOYEES

The SIA Group set up a high-level task force to coordinate responses to the pandemic. For the safety of staff, measures were taken to institute divisional staff segregation and safe distancing protocols and facilitate work-from-home arrangements. The Group also stepped up cleaning measures at office premises, instituted temperature screening and ensured the provision of thermometers, hand sanitisers and personal protective equipment for staff as necessary.



The Group also introduced a series of support measures for employees. For example, we waived the exclusive service requirement to enable staff to temporarily take up jobs outside of the Company. An Employee Support Portal was also launched to provide resources such as alternative job placement opportunities and financial relief measures from banks and government agencies.

To match manpower levels to the reduced level of activity, a shorter work month was implemented for all ground staff from May 2020. This comprised a progressive consumption of annual leave and the introduction of an Enrichment Day, which gave staff time off to pursue learning opportunities or engage in volunteer activities.

It was critical for the Group to continue upskilling and reskilling its workforce during this time, to ensure that staff remained relevant and competitive. With the support from additional government grants and our unions, SIA was able to offer Singapore-based staff a range of training courses in Leadership & People, Professional Development and Digital competencies.

Around the world, all staff could access e-learning courses on the SKIES e-learning platform and over 13,000 bite-sized learning modules from the "Learning on Demand" e-library that was launched in October 2019. Selected in-house classroom courses – such as Sales and Marketing, Customer Service, and Airport and Cargo Operations – were redesigned to support distance-based learning. Content was restructured, and resources and activities were adapted for the virtual classroom environment.

The expertise and dedication of our talented and highly trained staff members will be crucial for the company when the recovery comes.

COVID-19

PRECAUTIONARY IN-FLIGHT MEASURES

The well-being of our crew and passengers is our priority. From the start of the Covid-19 outbreak, SIA enhanced its cleaning procedures and implemented precautionary measures to keep them safe.



Every aircraft undergoes a thorough cleaning process, in which common surfaces such as windows, tray tables, and in-flight entertainment screens are wiped down with a strong disinfectant. If there is a confirmed Covid-19 case on a flight, rigorous deep-cleaning procedures are activated, and this includes the fogging of the entire cabin with disinfectants.

Temporary adjustments were made to SIA's in-flight services to reduce interaction between crew and passengers. This includes the simplification of the meal and drink service, removal of in-seat literature except for safety cards and amenity menus, and double catering meals where possible.



In compliance with regulatory requirements, from May 2020, all passengers had to wear masks throughout the duration of their flight. SIA also suspended meal services on selected short-haul flights and conducted a basic health assessment for passengers on flights to Singapore prior to boarding. This included a verbal health declaration and temperature checks.

Before every flight, cabin crew and pilots were required to have their temperatures taken. Crew were provided with Personal Protective Equipment (PPE) like eye goggles, masks and gloves which they wear while operating flights.

SUPPORTING OUR CUSTOMERS

Even as we scaled back operations due to the border closures, the Group persisted with services to key cities for as long as possible to bring many of our customers home, including Singaporean students who were studying overseas.

We do not take the support and understanding of our customers for granted, and we have taken steps to keep in touch and communicate with them regularly during this time.

The Group revised its global waiver policy to offer bonus flight credits for customers who choose to keep the value of their bookings for future travel. Customers were given the option to book their new flights when they are ready and have more clarity on their plans, and their travel only needs to be completed by 31 December 2021. For customers who prefer to cancel their tickets, we remain committed to supporting them and will offer full refunds.

In appreciation of the support of our KrisFlyer members over the years, SIA also renewed all PPS Club and KrisFlyer Elite membership statuses by one year. The validity of KrisFlyer miles that will be expiring between April and August 2020 will be extended by six months, and Elite Gold Rewards and PPS Rewards that will be expiring between July and December 2020 will be extended until 31 March 2021.

For customers who wish to book new travel with us, we are offering complimentary rebooking for all SIA and SilkAir tickets issued during the Covid-19 outbreak. This gives our customers the ability to adjust their travel plans without incurring change fees.

These measures will provide our customers with the reassurance that they have full flexibility when they begin to travel with us once again.

RESILIENCE DURING THE OUTBREAK

While the crisis has undoubtedly pushed the Group's operational and financial capabilities to the limit, it has also showcased the SIA spirit.

During this difficult period, many staff readily volunteered their assistance to other areas of the company that needed support. For example, many of them helped out at the contact centres, ticketing offices and social media units that were experiencing a high volume of customer requests. By the end of March, close to 800 volunteers, comprising pilots, cabin crew and ground staff, had stepped up to help these frontline operations at our contact centres for varying periods.



Photo Credit: Khoo Teck Puat Hospital

More than 1,000 of our cabin crew members and pilots also volunteered to be ambassadors on the frontline in the fight against Covid-19 in Singapore. They supported the nation's efforts by playing important roles in the healthcare, transport and social service sectors as care, transport, safe distancing and contact tracing ambassadors. Their duties include supporting healthcare personnel in the hospital wards, ensuring that the public adhere to safe distancing guidelines, and making phone calls to support contact tracing efforts. Cabin crew were also deployed to the Ministry of Social and Family Development's social service offices to help process schemes to support those affected by Covid-19.

Our crew have put their renowned professionalism, communications skills and world-class service to good use in these roles. At the same time, it has also been an eye-opening experience and given all of our crew members a deep sense of personal satisfaction and achievement.

We are very proud of our people, who have stepped up during these difficult times. They have epitomised the SIA spirit, and this is our way of giving back to our community.

The Covid-19 crisis is the greatest challenge in SIA's history. Yet it has also taught us many lessons and strengthened the bonds of the SIA family.

PREPARING FOR THE RECOVERY

The Group remains steadfast and agile during this period of uncertainty, and will continue to act nimbly in responding to evolving market conditions. Its portfolio strategy, with a presence in both the full-service premium and low-fare segments, gives us the ability to offer the right products to match the demand when it recovers.

We have also set up an internal task force to review all aspects of our operations to ensure that we are ready to ramp up services when air travel recovers. This includes thinking about what will be needed in the new normal, as well as what modifications may be necessary to our in-flight products and end-to-end service delivery to provide additional health and safety assurances to our customers and our crew. Transformation is also an ongoing project, and the Group will continue to work hard to further strengthen our operational and financial capabilities.

SIA's global footprint, our talented and committed employee base, our strong and trusted brands that allow us to capture both the premium and budget segments, and our loyal customer base, will enable us to be competitive in the post-Covid-19 landscape. All of this gives us the confidence that we can ride on the recovery from a position of strength.

OUR TRANSFORMATION JOURNEY

In 2017, Singapore Airlines (SIA) embarked on a three-year Transformation Programme to increase its competitiveness and ensure that it is well-positioned to tackle the increasingly challenging operating environment. Since then, we have produced more than 100 business initiatives which have enhanced operational efficacy, upskilled our workforce, driven revenue generation and improved the overall customer experience.

In early 2020, the Covid-19 outbreak brought the global aviation industry to an unprecedented halt. While the SIA Group was not spared, the fruits of our three-year Transformation Programme have strengthened our revenue-generating capabilities and operational efficiencies, allowing us to tackle the crisis from a position of strength.

DIGITALISATION

Aiming to be the leading digital airline of the world, SIA has laid out its own blueprint for digital transformation, making sure the airline is well-equipped to meet the needs of customers in the rapidly changing global environment.

Digital as an enabler

In this competitive landscape, customers are now exposed to a wide variety of options through myriad channels. To stay ahead, SIA needs to constantly evolve and anticipate those needs within a shorter turnaround time.

SIA has since fully transformed all of our IT delivery models to adopt Agile methodologies, significantly improving the speed of application development and time to market of products by about 40 per cent. Our core technical infrastructure has also been refreshed to allow for all these collaborations to take place in a fast and secured environment.

Creating a digital workforce

To further support its digital blueprint, SIA also built capabilities by hiring the right talents in the areas of agile methodology, software engineering, cloud, data and artificial intelligence. Intensive digital training curriculum was also conducted company-wide and almost all of our ground staff are now trained in areas of agile methodologies, data analytics or design thinking.

SIA is fully committed to creating a workforce that embraces innovative thinking, and has continuously supported its staff to take ownership of their ideas and bring them to life. Since the launch of KrisLab on 29 January 2019, our staff have generated over 700 digitally driven ideas, of which 29 have progressed into further development stages to be potentially adopted into airline operations.



ELEVATING CUSTOMER EXPERIENCE

SIA continues to focus on providing an enhanced customer experience, delivered consistently at every touchpoint.

Centring around the customer

After a rigorous review, policies and processes have been simplified with a stronger focus on customer centricity. As a result, more than 12 million hours worth of customer effort was saved since the start of the three-year programme.

The use of tools and data analytics has improved the processing time of our work operations. An example is the use of Customer Feedback Analytics (CFA) to sort and assign the large volume of feedback received by the Customer Affairs department. Previously, feedback received was manually categorised and assigned to various business units within SIA. With CFA, this tedious process is automated using techniques such as sentiment analysis and text categorisation. As a result, we are able to follow up on customer feedback in a timelier and more efficient manner.

In addition, staff are more empowered to make decisions, resulting in a faster resolution of cases. For example, contact centre agents now have the liberty to accord prompt fee waivers or refunds based on compassionate or medical grounds. The overall customer experience is improved by reducing the need to provide the supporting documents that were previously required to process such requests.

Personalisation

To increase customer satisfaction and exceed their expectations for in-flight personalisation, the BEST app was created for cabin crew to note customer preferences in our premium cabins.

Personalisation goes beyond SIA's in-flight service touchpoints. Fare deals, destination recommendations, ancillary service offers, and flight timing recommendations are amongst some of the added features on the booking website targeting customers at an individual level. Digitalisation has enabled the airline to perform customisation on a larger and wider scale than before.



OPERATIONAL EXCELLENCE

SIA is taking steps to bring its operational excellence up another notch.

Total Mission Management

Flight delays, cancellations and misconnections to flights are the bane of any traveller. A new Total Mission Management (TMM) unit was established in late 2018 to enhance daily operational effectiveness and elevate the customer transit experience. With the use of data analytics and dashboard tools, it has helped to shorten the response time taken to make operational decisions. Since its introduction, TMM has improved punctuality, reliability and customer satisfaction.

Predictive maintenance to reduce flight delays

For airlines, delays can be costly and these are sometimes a result of unplanned engineering maintenance. Clearly, if we could find a way to predict and streamline maintenance, this can contribute towards our goal of achieving operational excellence. This is where predictive maintenance is applied to help us avoid costly delays. By leveraging aircraft sensor data and maintenance logs to generate alerts on issues that may arise, potential failures could be averted weeks or even months in advance, further improving fleet reliability.

The next chapter of Transformation

SIA is positioning itself to address the challenges and opportunities following the Covid-19 crisis.

In the coming months, SIA will take a fundamental relook at its core and take steps to redefine its products and services against a new world for travel and aviation, which is being shaped by changing trends and customer expectations.

Putting customers at the heart of all that we do and ensuring a seamless customer experience remains a priority for the airline. SIA is also taking the opportunity to upskill its employees to build a future-ready workforce, and intensifying efforts to boost organisational productivity and effectiveness. This new chapter of Transformation aims to allow SIA to emerge from the crisis in a position of strength, and reinforce SIA's leadership position in the new world.

OUR STRATEGY FOR THE FUTURE

PORTFOLIO OF AIRLINES

The SIA Group is committed to its portfolio strategy, in which it has investments in both full-service and low-cost airlines. In the year FY2019/20, multiple route transfers took place between SIA, SilkAir and Scoot. This was the result of a detailed review to determine the routes best served by each of the SIA Group airlines. The changes would ensure that the Group deploys the right vehicles within the portfolio to the right markets.



MULTI-HUB STRATEGY

The SIA Group is at the heart of Singapore's aviation ecosystem and anchors Singapore's air hub status. The SIA Group airlines carried a total of 35.8 million passengers in FY2019/20, and accounts for more than half of all passenger transits at Singapore Changi Airport¹.

Beyond Singapore, the SIA Group's multi-hub strategy complements its efforts to strengthen and grow the Singapore aviation hub. By investing in airlines outside Singapore, the Group is able to set up new hubs in growing markets, extending its reach and tapping on new traffic flows. For example, the investment in Vistara enables the Group to have a presence in India's fast-growing airline market. In 2019, Vistara launched its first international flights and expanded its codeshare agreement with SIA and SilkAir on international flights.

NEW BUSINESS INITIATIVES

SIA continues to explore new revenue and business opportunities to complement its core revenue streams.

In FY2019/20, KrisShop was revamped from an airline sales catalogue to an omni-channel lifestyle e-commerce platform for all customers. Multiple new initiatives were launched, enabling convenient payment, pre-order and delivery services for customers, along with a revamp of the KrisShop.com website. KrisShop also launched new concept stores, each with their own unique identity. With the increase in variety and options, KrisShop aims to provide personalised experiences to suit the different lifestyles of consumers.

¹ For the 2019 calendar year.

STRENGTHENING PREMIUM POSITIONING

Service Excellence



SIA remains committed to using digital technologies to enrich the customer experience, and improve and enhance our touchpoints.

In August 2019, SIA revamped its mobile app for Android and iOS smartphones to include new innovative features to offer customers a seamless and more personalised experience. In addition to significant improvements in existing functions, the app introduces new features that can provide customers with travel recommendations and translation assistance, among a host of other services.

In September 2019, SIA expanded its KrisConnect Programme, leveraging new distribution technology to introduce improved content and functionality through partner platforms. This provides a wider range of fares and personalised content to its travel trade partners, which will allow them to offer customised products to customers, such as bundled packages and negotiated fare deals. This, in turn, elevates the booking experience for customers through increased levels of personalisation and recognition of KrisFlyer status.

Product Leadership



SIA remains committed to the continuous enhancement of its product offerings. In October 2019, the Airline announced a series of First Class enhancements for premium passengers, including the introduction of new champagne label, Taittinger Comtes de Champagne.

In July 2020, SIA announced that it will invest \$50 million in a major revamp of the SilverKris and KrisFlyer Gold Lounges at Changi Airport Terminal 3. The upgrades will result in a 30 per cent increase in space and total customer capacity, as well as more open spaces, new and upgraded facilities, and a wider range of food and beverage selections. The upgrade is expected to be completed in 2021.

SIA is also dedicated to maintaining a modern fleet with 68 aircraft on firm order as of 31 March 2020. This includes new-generation widebody aircraft models such as the Airbus A350-900, Boeing 777-9 and Boeing 787-10. Scoot has 51 aircraft on firm order, comprising 30 A320neos, 16 A321neos, three 787-8s and two 787-9s.

Network Connectivity



During the year in review, SIA extended its network reach in the United States with the launch of non-stop flights to Seattle in September 2019. SIA's network now includes five cities in the United States – Houston, Los Angeles, New York, San Francisco and Seattle.

SilkAir, the regional wing of SIA, launched its first flights to Busan in South Korea in May 2019. In October 2019, SilkAir transferred its Busan services to SIA, enabling the Airline to increase seat capacity on the route to meet growing travel demand.

Due to global border restrictions from the Covid-19 outbreak, the SIA Group airlines significantly reduced their capacity from February 2020. In late-March 2020, Singapore Airlines and SilkAir cut 96 per cent of the passenger capacity that was originally scheduled up to end-April 2020.

RECOVERY AFTER THE COVID-19 CRISIS

With the significant impact of the Covid-19 outbreak on the aviation industry, the SIA Group is positioning itself to address near-term challenges and opportunities following the crisis.

In March 2020, SIA announced a Rights Issue comprising Rights Shares and Rights Mandatory Convertible Bonds (MCB), offered to all existing shareholders, to raise up to approximately \$8.8 billion. Up to \$6.2 billion of additional MCBs may also be issued within a 15-month period after an Extraordinary General Meeting (EGM) to provide the company with additional liquidity if needed. The proposed rights issue will strengthen the Group's liquidity during the crisis and give the Group the financial ability to capture medium-to-long term growth beyond Covid-19.

The SIA Group's portfolio provides the flexibility in strategy to capture demand recovery. The Group remains focused on maintaining its leadership position in target markets, with a focus on long-term profitability.

The Group's global footprint, talented and committed employee base, strong and trusted brands that allow it to capture both the premium and budget segments, and loyal customer base will enable it to be competitive in the post-Covid-19 landscape.

CHAIRMAN'S LETTER TO SHAREHOLDERS



DEAR SHAREHOLDERS,

This was a year unlike any other in the history of the Singapore Airlines Group.

Driven by robust passenger traffic numbers and the successful initiatives that had been undertaken as a result of the Transformation Programme, the Group confidently entered the final quarter of the financial year on the back of a strong performance for the previous nine months.

For the third quarter of the financial year, the Group posted record quarterly revenues, as well as record passenger uplift, capacity, and traffic numbers. We also achieved the highest passenger load factor for a third quarter, and one of the highest quarterly profits in our history.

The sudden emergence of the Covid-19 virus in January 2020, and its rapid spread around the world, decimated the demand for air travel within weeks. The full impact of the pandemic is still unfolding at the closing of this annual report. However, the crisis has already crippled the global aviation industry and resulted in a major economic disruption around the world.

This had an unprecedented impact on the Group and adversely affected the performance of its passenger airlines. The collapse in air travel led to a drastic drop in the Group's passenger revenues. Hedging losses were also incurred, owing to the sudden drop in the price of crude oil and the sharp cuts in passenger capacity due to the Covid-19 pandemic.

As a result, amid the biggest challenge that Singapore Airlines has faced, the Group recorded a full net year loss of \$212 million.

Response to Covid-19

Since the onset of Covid-19 pandemic, the Group has been responding decisively as we navigate the uncertainties of this crisis.

With health and safety as a top priority, all precautionary steps have been taken to protect our customers and staff both in-flight and on the ground. We will continue to ensure that the travel journey is safe for our customers and adequate safeguards are in place at the workplace for all staff.

Proactive steps to streamline expenditure and conserve cash were swiftly implemented. These included deferring projects, as well as working with suppliers and partners to reduce costs and reschedule payments. Human resource measures such as management pay cuts, introduction of various no-pay-leave schemes, and a shorter work month for all ground staff are also currently in place.

In April 2020, the Group received approval at an Extraordinary General Meeting to proceed with a Rights issue to raise \$8.8 billion through Right Shares and Rights Mandatory Convertible Bonds. The Group also has the flexibility to raise another \$6.2 billion through Additional Mandatory Convertible Bonds. These will be fully underwritten by our largest shareholder Temasek Holdings.

Apart from reinforcing the Group's liquidity during this time, this allows Singapore Airlines to be in a position of strength to capture medium-to-long term growth beyond Covid-19.

Commitment to our Strategy

Despite the crisis, the Group remains committed to its portfolio strategy with investments in successful full-service and low-cost airlines, as well its multi-hub proposition.

Our investment in Vistara has, for example, established the Group's presence in India. In August 2019, Vistara launched its first international flights and expanded codeshare agreements with SIA and SilkAir on international routes.

On the new business front, a revamped KrisShop was unveiled during the year as an omni-channel retailer focusing on redefining the travel retail experience.

Scoot, the Group's low-fare arm, introduced 11 new destinations in FY2019/20, of which 10 were previously part of SilkAir's network. To provide a more seamless and improved customer experience, the low-cost carrier relocated its operations to Terminal 1 at Changi Airport in October 2019.

Network Connectivity and Partnerships

During the year, we continued to grow our network before suspending most services due to the Covid-19 outbreak in early 2020.

In September 2019, we expanded our non-stop services to the United States with the introduction of flights to Seattle, providing our customers faster and more convenient connectivity to North America. During the year, as part of the integration plans, SIA took over SilkAir services to Busan and Kolkata.

Working closely with our strategic partners to promote tourism and grow visitor arrival is an ongoing focus for the Group. We expanded our code-sharing agreement with Garuda Indonesia in April 2019. In January 2020, a wide-ranging partnership agreement was entered with All Nippon Airways, taking our relationship to the new level.

We extended our strategic collaboration with SATS and jointly announced our commitment to strengthen Singapore hub's competitiveness. During FY2019/20, agreements were inked with tourism agencies from Japan, Western Australia and Maldives.

Customer Centricity

With customers at the heart of our brand promise, our commitment is to constantly elevate the customer experience, on the ground as well as in the air. A \$50 million upgrade of our premium lounges at Changi Airport Terminal 3 commenced in July 2019.

To cater to our increasingly digital-savvy customers, an all-new SingaporeAir mobile app with innovative features was launched in August 2019.

New in-flight product and service offerings were also rolled out during the year. They included the introduction of Taittinger Comtes de Champagne among other First Class enhancements, as well as Ramen Keisuke's ramen dish in First and Business Class.

As the Covid-19 crisis unfolded, SIA maintained its services in order to allow customers to return home amid the growing uncertainty. Given the large-scale flight cancellations as a result of the pandemic, we revised our global waiver policy to offer bonus flight credits to those who choose to keep the value of their tickets for future trips and extended the travel period to end-2021. We also provided refunds to those who prefer that option. In addition, we automatically extended the validity of our KrisFlyer and PPS statuses by a year, providing an additional layer of reassurance for our members.

The Next Transformation Chapter

With more than 100 business initiatives rolled out since the start of this journey in 2017, the Transformation programme has strengthened the Group's revenue generating capabilities and driven operational efficiencies while maintaining the high SIA service standards.

The next phase of Transformation will see the Group taking a fundamental relook at our current business operating model with a post-Covid-19 lens, strengthening our operational resilience and ensuring we lead the new world as we emerge from the crisis.

Acknowledgements

Covid-19 has reshaped the aviation industry. The Group will continue to act nimbly in responding to the evolving market conditions, and reaffirm its leadership position in target markets with a focus on long term profitability in the post-Covid-19 world.

On behalf of the Board, I would like to thank our shareholders and customers for their continued support, as well as our employees for their hard work and commitment during these unprecedented times.

Stay safe and well.



PETER SEAH
Chairman

BOARD OF DIRECTORS



PETER SEAH LIM HUAT

Chairman

Mr Seah is the Chairman of DBS Bank Ltd, DBS Group Holdings Ltd, Singapore Health Services Ltd and LaSalle College of the Arts Limited. A banker for more than 30 years, Mr Seah was with the former Overseas Union Bank between 1977 and 2001, retiring as Vice Chairman and CEO. Prior to that, he was with Citibank N.A. Between December 2001 and December 2004, Mr Seah served as President and CEO of Singapore Technologies Pte Ltd. Mr Seah was awarded the Distinguished Service Order in 2012 and the Public Service Star (Bintang Bakti Masyarakat) in 1999, and made a Justice of the Peace in 2003.



GOH CHOON PHONG

Director and Chief Executive Officer

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



GAUTAM BANERJEE

Director

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



SIMON CHEONG SAE PENG

Director

Mr Cheong is the Founder and Chairman of SC Global Developments Pte Ltd, a leading luxury high-end residential developer in Singapore. He has more than 38 years of experience in real estate, banking and international finance. Mr Cheong established SC Global in 1996 as a real estate and hotel advisory and direct investment group, specialising in structuring large and complex transactions worldwide. He took SC Global Developments Ltd public in 1999 and built it into a leading high-end residential developer in Singapore with a market capitalisation of more than USD1 billion. He took it private through a general offer in 2013. Mr Cheong previously was with Citibank (Singapore) as Head of Real Estate Finance for Singapore and with Credit Suisse First Boston as a Director and Regional Real Estate Head for Asia, excluding Japan. Mr Cheong previously served as a Board Member of Republic Polytechnic, Singapore Turf Club, Singapore Dance Theatre and Raffles Girls' Secondary School. He was also a Council Member of the Singapore Business Federation, and served two terms as President of the Real Estate Developers' Association of Singapore.



DAVID JOHN GLEDHILL

Director

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



GOH SWEE CHEN

Director

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



DOMINIC HO CHIU FAI

Director

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



HSIEH TSUN-YAN

Director

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



LEE KIM SHIN

Director

Mr Lee is a lawyer and the Joint Managing Partner of Allen & Gledhill LLP. He has been with Allen & Gledhill for more than 30 years, with a year spent serving as a Judicial Commissioner of the Singapore High Court in 2014. Mr Lee was appointed Senior Counsel in January 2015. He is a Member of the Governing Board of Duke-NUS Medical School Singapore and a Member of the main committee of the Yellow Ribbon Fund. Mr Lee is a Director of Allen & Gledhill Regulatory & Compliance Pte Ltd, Eastern Development Holdings Pte Ltd, Eastern Development Private Limited, Epimetheus Limited, Singapore Power Limited and Singapore Institute of Legal Education.



OPERATING REVIEW

THE YEAR IN REVIEW

The Singapore Airlines Group reported a net loss of \$212 million for the 2019/20 financial year.

Group operating profit fell by \$1,008 million against last year to \$59 million, predominantly attributable to the impact of the Covid-19 pandemic on the aviation industry in the fourth quarter of FY2019/20. Group revenue fell \$347 million year-on-year to \$15,976 million, primarily on lower flown revenue. Group expenditure increased by \$661 million to \$15,917 million from the last financial year, primarily driven by the mark-to market losses of \$710 million on the ineffective fuel hedges for FY2020/21.

OPERATING PERFORMANCE

During the year in review, passenger carriage (in revenue passenger-kilometres) for the Parent Airline Company increased by 1.5 per cent, while yield declined 1.0 per cent. Passenger load factor for the Parent Airline Company declined by 1.2 percentage points to 81.9 per cent.

The cargo segment saw a decrease in both cargo load (in load tonne-kilometres) and yield by 8.8 per cent and 3.8 per cent respectively.

Passenger carriage for SilkAir decreased 8.3 per cent. As capacity fell by a larger extent due to the grounding of the 737 MAX 8 fleet, progressive transfer of routes to Scoot, as well as flight cancellations following the Covid-19 outbreak, passenger load factor improved 1.1 percentage points to 77.3 per cent.

Scoot reported a 2.2 per cent decrease in passenger carriage, as well as a decline in yield of 1.8 per cent year-on-year. Passenger load factor increased by 0.4 percentage point to 85.7 per cent.

OUTLOOK

The prospects for a recovery in international air travel in the months ahead depend upon when border controls and travel restrictions ease. There is no visibility on the timing or trajectory of the recovery at this point, however, as there are few signs of an abatement in the Covid-19 pandemic. The Group will maintain minimum flight connectivity within its network during this period, while ensuring the flexibility to scale up capacity if there is an uptick in demand.

The demand for essential goods such as medical supplies, pharmaceuticals and fresh foods still exceeds air freight capacity on many key lanes due to the sharp reduction in bellyhold capacity. This is expected to sustain cargo revenues for the near term. We will also continue to pursue charter opportunities, while closely monitoring for changes in demand.

The Group remains steadfast and agile during this period of uncertainty, and will continue to act nimbly in responding to evolving market conditions. Our portfolio strategy, with a presence in both the full-service premium and low-fare segments, gives us the ability to offer the right products to match the demand when it recovers.

We have also set up an internal task force to review all aspects of our operations to ensure that we are ready to ramp up services when air travel recovers. This includes thinking about what will be needed in the new normal, as well as any necessary modifications to our in-flight products and end-to-end service delivery to provide additional health and safety assurances to our customers and crew. Transformation is also an ongoing project, and the Group will continue to work hard to further strengthen our operational and financial capabilities.

The Board of Directors is not proposing a final dividend for the financial year 2019/20. Total dividend for the year is 8 cents per share, from the interim dividend paid on 27 November 2019.



OPERATING REVIEW

NETWORK



During the financial year in review, the SIA Group continued to grow its network before suspending most services as a result of the Covid-19 outbreak in early 2020.

In September 2019, SIA extended its network reach in the United States by introducing thrice-weekly services to Seattle. This was increased to four-times weekly in October 2019. As a result, the Airline's network expanded to five cities in the United States: Houston, Los Angeles, New York, San Francisco and Seattle. SIA also expanded its South Korean network when it took

over SilkAir's services to Busan in October 2019. This increased the number of flights to South Korea to 32 weekly services.

Flight frequencies to Japan, India and South Africa were increased. In April and May 2019, a new daily service to Osaka and a new thrice-weekly service to Bangalore were added, bringing the total weekly frequency to Osaka and Bangalore to 21 and 10 respectively. SIA introduced a new thrice-weekly service to Johannesburg in March 2019, increasing the total number of weekly services to 10.

* Suvarnabhumi Airport (SIA and Scoot) and Don Mueang International Airport (Scoot)

** Haneda International Airport (SIA) and Narita International Airport (SIA and Scoot)

LEGEND

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



NUMBER OF DESTINATIONS AS AT 31 MARCH 2020³:

66

Singapore Airlines

36

SilkAir

68

Scoot



SilkAir ceased services to Vientiane and Luang Prabang in March 2019 and transferred these routes to Scoot, which began operations to these destinations in April 2019. In FY2019/20, SilkAir transferred nine more routes to Scoot, namely Changsha, Chiang Mai¹, Coimbatore, Fuzhou, Kunming, Kota Kinabalu, Trivandrum, Visakhapatnam and Wuhan.

The Yangon-Mandalay circular flight was discontinued in FY2019/20 and Mandalay services were operated on a seasonal basis between November and January. SilkAir also increased the frequency on services to Bangalore, Cairns, Cebu, Danang, Darwin, Davao, Nepal, Penang, Phuket, and Surabaya. SilkAir ceased services to Hiroshima and Kolkata in March 2020.

In FY2019/20, Scoot launched services to Kota Bharu. Scoot transferred its Shenzhen services to SilkAir in June 2019, increasing SilkAir's Shenzhen services from seven to 12 flights a week. This was followed by the transfer of Scoot's Kochi services to SilkAir in November 2019, increasing SilkAir's services to the city to twice daily.

In early 2020, the global spread of Covid-19 resulted in dampened travel sentiment and border controls implemented across the world. Due to the outbreak, the SIA Group airlines reduced its capacity for Mainland China routes from January 2020. The growing scale of the virus led SIA to further cut capacity to other regions, reducing network capacity by 50 per cent in mid-March 2020² and eventually announcing that the scheduled passenger capacity from April to June 2020 would be cut by 96 per cent.

In Europe, the frequency of flights to Italy and Denmark was increased. In July 2019, SIA increased the flight frequency to Milan from six weekly flights to daily services, while in January 2020 flights to Copenhagen were increased from five-times weekly flights to daily.

In the South West Pacific region, the Airline increased Singapore-Melbourne-Wellington services from four to five weekly flights in January 2020. This brought the total flight frequency to the region to 152 weekly services.

¹ SilkAir's transfer of Chiang Mai services supplemented Scoot's existing services to Chiang Mai.

² For flights originally scheduled up to end-April 2020

³ Figures include destinations that we have temporarily stopped flying to due to the Covid-19 outbreak

OPERATING REVIEW

FLEET MANAGEMENT

Singapore Airlines is committed to operating a modern and fuel-efficient fleet.

In FY2019/20, the Airline took delivery of 16 Airbus A350-900 and six Boeing 787-10 aircraft. The SIA passenger aircraft fleet in operation, as at 31 March 2020, comprised 122 aircraft with an average age of five years and five months. This included eight A330-300s, 48 A350-900s, 19 A380-800s, 15 787-10s and 32 777s. In addition, SIA has 68 aircraft on firm order including 19 A350-900s, 20 777-9s and 29 787-10s. The SIA Cargo fleet comprised seven Boeing 747-400 freighters with an average age of 16 years and four months.

SilkAir's operating fleet consisted of two Airbus A319s, six A320s and 17 Boeing 737-800s with an average age of six years and two months. Six 737 MAX 8s have been parked at Alice Springs, Australia, due to the global grounding of the aircraft type. SilkAir has 31 more 737 MAX 8s on firm order.

Scoot's operating fleet as of 31 March 2020 had an average age of five years and eight months. This comprised 49 aircraft including 29 A320s (of which three

are A320neos), 10 787-8s and 10 787-9s. Scoot has 51 aircraft on firm order, comprising 30 A320neos, 16 A321neos, three 787-8s and two 787-9s.

The average age of the entire SIA Group fleet is five years and 11 months.

As the Covid-19 outbreak started to spread globally in late-January 2020, fears about the spread of the virus, as well as global travel restrictions and border controls, led to a collapse in the demand for air travel during the quarter. The Group responded decisively by cutting its capacity, starting with Mainland China in early-February and eventually to the rest of the network by end-March.

Singapore Airlines and SilkAir announced in March 2020 that it would reduce its combined scheduled passenger capacity by 96 per cent from April to June 2020, while Scoot planned to cut its capacity by 98 per cent during the same period. As a result, the SIA Group parked a large number of its aircraft in Singapore and in Australia. Only a handful of aircraft, out of a group fleet of more than 200 aircraft, were scheduled to be deployed on passenger services during this time.

AS AT 31 MARCH 2020

FLEET AGE (AVERAGE AGE)

AIRCRAFT IN OPERATING FLEET[^]



5
Years 5
Months

122



6
Years 2
Months

25*



5
Years 8
Months

49



16
Years 4
Months

7

COMBINED TOTAL

5
Years 11
Months

203

[^] Operating fleet includes aircraft that were withdrawn from service for temporary storage due to significant capacity cuts arising from the Covid-19 pandemic.

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

PRODUCTS AND SERVICES

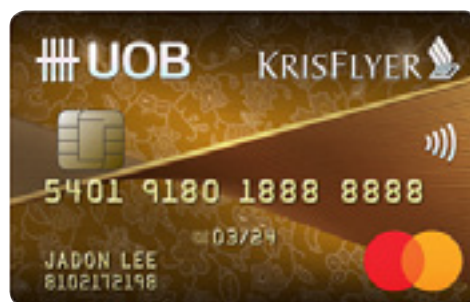
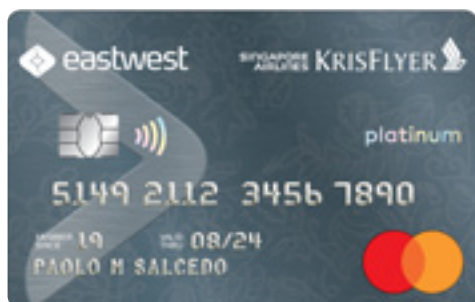
KRISFLYER

KrisFlyer, the Singapore Airlines Group's loyalty programme, continued to expand its global membership base in FY2019/20. The programme attracted more than 570,000 new members, a 14 per cent growth from the previous year, with a total of over 4.6 million members worldwide as of 31 March 2020.

Redemption activities continue to grow healthily in line with the sale of miles revenue, while engagement with KrisFlyer members remains active and frequent. During the year in review, over 39 billion KrisFlyer miles were redeemed. On Singapore Airlines and SilkAir flights, redemption grew steadily between April 2019 and January 2020, and was on track for a 12 per cent year-on-year growth until the Covid-19 outbreak. Redemptions significantly reduced in February and March 2020, resulting in a 4 per cent drop year-on-year. Similarly, Scoot flight redemptions registered steady growth until January 2020 and was on track for 23 per cent increase year-on-year. However, the Covid-19 outbreak severely dampened growth in the last two months of the year, resulting in an eventual increase of 6 per cent. Non-airline redemptions, including those on

KrisShop, KrisFlyer vRooms, and via the KrisPay app, also registered strong growth of 22 per cent year-on-year. KrisShop redemptions were up 32 per cent.

A suite of new products was introduced with KrisFlyer's strategic partners in FY2019/20, offering members even more ways to earn miles. More than 10 non-airline partnerships were also formed during the year. As at 31 March 2020, KrisFlyer has over 240 non-airline partners globally where members can earn KrisFlyer miles, either directly or through partner reward points conversion. This included the KrisFlyer UOB Co-Brand Credit Card, which was launched in April 2019 and gives members an accelerated earn rate on SIA Group spend as well as for their everyday purchases. This is an extension of KrisFlyer's Co-Brand Debit Card partnership with UOB in Singapore, which was first introduced in 2017. With the new EastWest Singapore Airlines KrisFlyer Mastercard made available in July 2019, KrisFlyer members in the Philippines now have more ways to earn miles faster, which similarly allows for accelerated earn rates for spends on the SIA Group as well as online and overseas transactions.



Singapore Airlines and Mastercard announced an extension of their partnership with the launch of *KrisFlyer Experiences* in January 2020, offering members additional options to utilise their miles. Members can redeem miles for specially curated experiences, which are designed exclusively for KrisFlyer members who are also Mastercard cardholders. The monthly Spontaneous Escapes redemption offers continue to provide an avenue for members to stretch the value of their miles further for travel since its introduction in FY2018/19.



OPERATING REVIEW

PRODUCTS AND SERVICES



In early 2019, KrisFlyer unveiled a new mascot. A global social media campaign to name the mascot was initiated to further reach out to millennials. The adorable mascot was eventually named Myles. Building on that, a subsequent marketing campaign was rolled out in January 2020 to remind members that miles can be earned easily through their everyday spend.

During the year, we refreshed the membership card designs for all KrisFlyer and PPS Club tiers. Sporting a more modern and premium look, the new membership kits are progressively sent out upon membership qualification or renewal.

New and refreshing features were introduced to KrisPay, the SIA Group's lifestyle app. One such feature is the instant conversion of partner reward points to miles with DBS as the launch partner in July 2019.

As at 31 March 2020, there are more than 90 KrisPay partners with over 580 outlets across Singapore. Representing well-known establishments in the food and beverage, retail, and wellness categories among others, these partners provide members with diverse ways to both earn and redeem miles on their purchases. To ensure that the app's broad-based appeal continues beyond Singapore, other partners such as tourist attractions have been added. More features and functionalities will be incorporated to position KrisPay as the lifestyle app of choice for everyday use.

With KrisFlyer turning 21 in February 2020, various campaigns and promotions will be rolled out throughout the year to celebrate this special milestone with members, as well as to reward them for their loyalty. Exciting initiatives are in the pipeline, further underscoring KrisFlyer's ambition to become a leading reward and lifestyle programme globally.

The impact of Covid-19 brought about some changes to our Membership Renewal policy. KrisFlyer will automatically renew all PPS Club and KrisFlyer Elite membership statuses for another 12 months at the end of their membership year. This applies to all memberships expiring from March 2020 to February 2021. PPS and Elite Gold Rewards that will be expiring between July and December 2020 will also have their validity extended till 31 March 2021.



KEY FACTS



More than **4.6 million**
KrisFlyer members globally



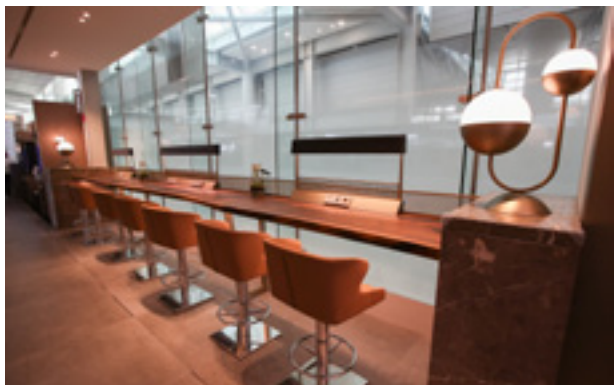
280 air and non-air partners
in FY2019/20

AIRPORT OPERATIONS

The \$50 million redevelopment of the SilverKris and KrisFlyer Gold Lounges in Changi Airport Terminal 3 commenced in July 2019. In addition to a 30 per cent increase in space and total customer capacity, the new lounges will feature more open spaces, new and upgraded facilities, as well as a wider range of food and beverage selections. The upgrade is expected to be completed in 2021.

On 28 October 2019, Singapore Airlines opened its new SilverKris Lounge in Incheon International Airport. The new lounge features the “Home Away From Home” concept first introduced in Sydney in 2013, but now reimagined with a touch of modernity while maintaining the familiarity of SIA.

The new-look Incheon SilverKris Lounge has thoughtfully designed distinct spaces to suit the needs of the various travellers. A new dining concept introduced at the lounge, the Singapore-styled café with Peranakan-inspired finishes, offers popular Singaporean local fares such as laksa, chwee kueh, and kaya toast.



Following the upgrade of the SilverKris Lounge in Incheon, planning for a similar “Home Away From Home” concept at the SilverKris Lounge in Perth Airport Terminal 1 started at the end of 2019.

In April 2019, SIA and SATS inked a five-year commitment to strengthen hub competitiveness with the renewal of a suite of aviation services contracts. The partnership encompassed in-flight catering and cabin handling, passenger and ramp handling, cargo

handling, aircraft interior cleaning, aviation security and laundry services. Early initiatives have focused on enhancing the boarding experience, improving premium passenger handling services and proactive management of passengers with mishandled baggage.

On the digital front, SIA continued to deliver new initiatives via its Singaporeair.com website and the SingaporeAir mobile application to provide a more seamless and enhanced travel experience for customers. These initiatives included the proactive push of contextual and relevant information, as well as more self-service functionalities. For example, to further improve the functionality of the SingaporeAir mobile application, real-time information such as boarding gate details, the weather at the destination, and baggage belt information were added. Effective February 2020, in the rare event that baggage is delayed or mishandled, customers will receive daily email notifications on the recovery status. Further enhancements to the baggage information page on Singaporeair.com will be made in FY2020/21.

During the Covid-19 outbreak, when travel restrictions and border closures were implemented, our customer contact teams received an unprecedented volume of calls, messages and emails. A Covid-19 assistance request form on Singaporeair.com was launched to enable our customer contact teams to respond promptly. A Covid-19 information hub was subsequently added to the website to provide customers with easy access to the latest flight schedules, travel advisories and frequently asked questions.

We also worked with the authorities in Singapore and overseas to ensure compliance with the latest guidance and regulations in airport operations. Cleaning processes in all SilverKris Lounges were also stepped up. This included a higher frequency of cleaning and disinfecting of common surfaces and high-usage areas such as dining rooms, lavatories, and showers. Hand sanitisers were also made available for our customers. In Singapore, the lounge food and beverage services were simplified and the seats re-arranged to allow for social distancing. Our staff also monitored their temperatures daily and were equipped with personal protective equipment.



15 SilverKris Lounges
worldwide



53.1% of customers completed self-service check-in via the Singapore Airlines website, SingaporeAir mobile app and self-service kiosks.



OPERATING REVIEW

PRODUCTS AND SERVICES

CUSTOMER EXPERIENCE

The Customer Experience Department (CExD) envisions the end-to-end customer journey and develops strategies to enhance the Singapore Airlines' customer experience. We leverage on digitalisation to achieve customer loyalty and increased revenue by delivering value to our customers and creating memorable experiences.



The department focuses on insights drawn from Voice of Customers, an online survey that measures customer satisfaction, synthesises qualitative and quantitative research and leads collaboration with business units to reimagine enhanced customer journeys. Customer-centric initiatives are also driven by the department to promote customer satisfaction from contextual, meaningful and personalised engagement, and a seamless journey. In FY2019/20, extensive customer research and focus groups were conducted, allowing us to gain valuable insights from our loyal customers on their value drivers, our touchpoints and product launches. New and existing products and processes typically follow the design methodology of "Discover, Design, Deliver" and are also assessed against our Experience Principles to ensure that they continue to reflect the core values of the Singapore Airlines' brand. Personas are also used to better understand the needs, motivations and goals of our customers.

Customers have benefitted from our service concepts and personalisation initiatives, which were implemented with the right service attitude and empathy to strengthen the relationship with our customer. The initiatives include improved experiences at contact centres, lounge, boarding, in-flight and baggage handling, among others. With an agile, innovative and strong test and learn culture, every product and service launched is continuously refined. This has led to positive customer feedback, improved employee empowerment, and process efficiencies.

In the financial year of review, 27 ideation workshops were held and more than 31 new end-to-end customer journey visualisations were created. From these, we established a comprehensive personalisation roadmap. The year ended with achievements on the number of customer hours saved and the number of customers who have benefitted from our personalisation initiatives and improved processes.

SIA's first design collaboration lab, D.Cube, was also launched at Airline House in November 2019. It serves as a refreshing and dynamic environment to incubate the ideation and reimagining of the customer journey. The venue also serves to host a series of talks by experts from some of the world's leading research and customer experience companies to inspire new ideas for lifting customer experience.

In the year ahead, the Customer Experience Department will be focusing on the impact Covid-19 has on our customer values, behaviour, needs, desires, travel demands and how the new normal affects our end-to-end customer journeys.

IN-FLIGHT SERVICES

Pre-ordering of meals for Suites, First, Business and Premium Economy Class passengers

SIA's Premium Economy Class customers were able to pre-order their main course meal across the entire network from May 2019, extending a service that was previously available to Suites, First and Business Class customers only.

This allows customers to not only enjoy a more personalised dining experience, but also be assured of their preferred meal choice from the in-flight menu. This is further complemented by our 'Book the Cook' service, which offers an expanded range of main course choices and is available from 33 destinations in the network.

Enhanced Child Meal Programme

SIA's Child Meal Programme was enhanced in June 2019, enabling parents to pre-order specific meals for their children from three different cuisine categories – Asian, Western and Vegetarian. Up to 24 hours before the day of travel, parents can visit the SIA website to view the options available for their flight and select the one that best suits their child's preferences. This offers parents greater visibility and choice over their child's meal in advance of travel.

This service is available on all flights across the network for all cabin classes, and extends the Airline's personalised dining programme to the young travellers on board our aircraft.



Food Promotions

In 2019, SIA collaborated with a portfolio of well-known chefs and brands to create local favourites at the destinations it flies to. These collaborations complement the Airline's International Culinary Panel (ICP) by continuously bringing new creations and products from the latest on-trend chefs and food businesses. Collaborations in 2019 included awarded chefs and restaurants in Germany, Copenhagen and Taipei, as well as brands such as Old Chang Kee and Keisuke Ramen.



OPERATING REVIEW

PRODUCTS AND SERVICES

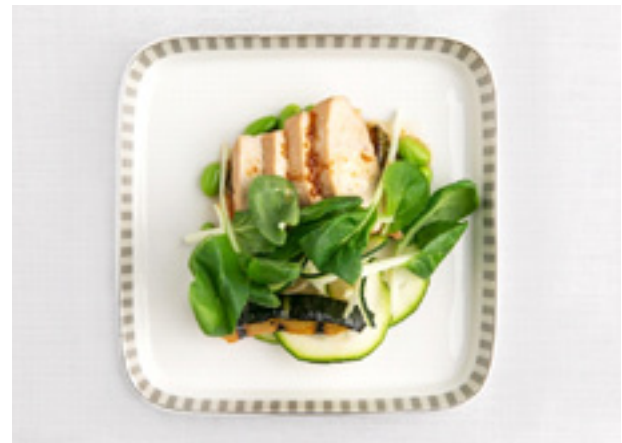
Enhanced Wellness Programme for In-flight Offerings

SIA has partnered with Singapore-based COMO Shambhala to further expand the wellness offerings on board. This follows positive feedback to the Airline's wellness programme on its direct services to the United States. This partnership sees specially created wellness dishes and beverages, as well as e-Library articles that cover a wide range of wellness topics. Cuisine curated with COMO Shambhala are available on in-flight menus on selected flights and on the 'Book the Cook' menu from Singapore for Suites, First, Business and Premium Economy Class passengers.



SIA has also launched new seasonal menus created by its ICP in September 2019. For these seasonal menus, the ICP chefs focus on designing dishes that use fresh in-season ingredients to achieve bold flavours and textures. These dishes are also prepared in a lighter cuisine style, for example replacing butter with olive oil and using alternative starches.

From Farm To Plane



During the year, SIA also partnered AeroFarms, a vertical indoor farming company based in Newark, the United States, to use their leafy greens and vegetables for appetisers served on flights departing from Newark. This collaboration is part of SIA's "From Farm To Plane" programme, which was launched in 2017 to promote environmental sustainability and support local agriculture while reducing our carbon footprint.

AeroFarms is a high-tech vertical farm that uses a controlled climate, LED lights and aeroponics technology to grow its produce sustainably. Given its proximity to the airports, vegetables can now reach the catering facilities quickly, enabling SIA to cut down on shipping waste while offering the freshest ingredients for its in-flight meals.

Beverage



Refreshed Champagne Selection

As part of SIA's efforts to increase the variety of our Wine Programme, we introduced new champagnes across the various classes. Taittinger Comtes de Champagne, an award-winning prestige champagne, was specially selected by our wine consultants to join mainstay labels Dom Pérignon and Krug in Suites and First Class.

Over the Christmas holidays, our passengers also enjoyed special festive bubbly, with Krug Rosé pouring in Suites and First Class, and Taittinger Prélude Grands Crus in Business Class.

Expanded Burgundy Selection

SIA offers the largest Burgundy Cellar in the Sky, featuring over 40 labels rotated over a period of 18 months in Suites, First Class and Business Class. Our passengers are able to sample a wider variety of options when they fly with us, from a list where 60 per cent are exclusive Grand Cru and Premier Cru labels currently unavailable on other airlines.

Temporary Adjustments During the Covid-19 Outbreak

To reduce risks during the Covid-19 outbreak, progressive adjustments were made to our in-flight services to address a range of factors.

To reduce interaction between crew, passengers and service providers, the hot towel service was ceased on all flights. Double catering of meals from Singapore was implemented where possible, and the meal service was simplified across all cabin classes with the courses served at one go on a single tray. When required by the regulatory authorities in some countries, the meal service was replaced with prepacked snack bags that included non-perishable food items and bottled water. We also removed all menu cards.

All in-seat material, except for airsick bags, safety cards and amenity menus, were also removed system-wide. Fewer newspapers were also uplifted from Singapore, and we stopped providing magazines on all flights on all sectors.

Modifications were also made to accommodate staffing and supply chain issues faced by our caterers. These changes included the suspension of the main course pre-ordering service, wellness offerings by COMO Shambhala, non-IATA special meals and 'Book the Cook' service outside Singapore. A reduced 'Book the Cook' menu was available for flights departing from Singapore.

Our beverage services were also simplified across all cabin classes. Alcoholic beverage services were suspended in Premium Economy and Economy Class, and temporary reductions were made to the variety of alcohol available in First and Business Class.



OPERATING REVIEW

SIA CARGO

In FY2019/20, the global cargo sector experienced an overall drop in airfreight demand amid international trade tensions and a slowdown in export manufacturing in certain key economies. This was followed by supply chain disruptions stemming from the Covid-19 outbreak in the last two months of the financial year.

SIA Cargo remains focused on enhancing its capabilities to support its key verticals such as e-commerce, aerospace, pharmaceuticals, perishables and events.

To meet the growing demand for cross-border e-commerce deliveries, SIA Cargo developed a logistics platform called "Parxl", that taps on the SIA Group's extensive flight network. The service offers e-retailers a comprehensive shipping solution through an Application Programming Interface (API)-ready merchant platform, complete with end-to-end parcel tracking using blockchain, to their customers' doorsteps. Parxl is expected to be launched commercially in FY2020/21.

In the Aerospace segment, SIA Cargo continues to work with engine manufacturers such as Rolls-Royce, as well as major maintenance, repair and overhaul (MRO) service providers, to transport aerospace products to various parts of the world. For example, it operated direct freighter flights to transport the new Rolls-Royce Trent 7000 engines from Singapore to the Airbus A330neo assembly facility in Toulouse, France.

In January 2020, SIA Cargo was re-certified by the International Air Transport Association (IATA) under the Centre of Excellence for Independent Validators in Pharmaceutical Logistics (CEIV-Pharma) programme. This reaffirmed SIA Cargo's pharmaceutical handling capabilities. Following the successful launch of its first THRU COOL pharmaceutical 'quality corridor' on the Zurich-Singapore-Sydney route in September 2018, five new cities (Amsterdam, Copenhagen, Ho Chi Minh City, Osaka and Stockholm) were inducted in FY2019/20. This provides added assurance to customers transporting temperature-sensitive pharmaceutical shipments to and from these cities via Singapore. More key pharmaceutical lanes will be progressively incorporated into the 'quality corridor' network as part of the expansion plan.

SIA Cargo is working on securing IATA's Centre of Excellence for Independent Validators for Perishable Logistics (CEIV Fresh) certification in FY2020/21 as part of the Singapore air cargo community's efforts. The community, which includes partners such as Changi



Airport Group and DNATA, will be the first in South East Asia to undergo the CEIV Fresh certification. Securing this accreditation will give shippers greater confidence in Singapore as a preferred hub for their time and temperature-sensitive perishables shipments.

In the Events segment, SIA Cargo has been providing customised logistics solutions for special cargo movements. In FY2019/20, it operated charter flights for sporting events such as Formula One and MotoGP, carrying racing equipment to various destinations such as Bahrain and Mexico. SIA Cargo also transported concert equipment for several high-profile music artists.

In line with SIA's digital transformation, SIA Cargo has also been driving productivity and efficiency improvements through various initiatives. These include the development of the Cargo Digital Knowledge Base to enhance knowledge access, transfer and retention amongst SIA Cargo staff. This platform also allows staff to access trending cargo topics and essential job-related information in real time.

As part of its efforts to pursue higher operational quality and standards, SIA Cargo was the first airline to join IATA's Smart Facility Operational Capacity (SFOC) programme in December 2019. The programme aims



to raise global standards in cargo handling operations by reducing audit complexity and duplication for cargo handling facilities. The SFOC certification sharpens the focus of SIA Cargo's audits of handling agents, allowing it to zoom in on SIA-specific procedures and enable even greater emphasis on safety and security. The combination of both the SFOC and SIA Cargo provide a more comprehensive picture of the service partners' capabilities and operational quality, while improving audit efficiency.

As the Covid-19 outbreak developed, SIA Cargo worked hard to maintain an effective airfreight network despite the substantial reduction in passenger flights. In addition to maximising the usage of its freighter fleet, it also operated cargo charter flights with SIA and Scoot passenger aircraft, and introduced a scheduled cargo-only passenger flight network, to alleviate the capacity constraints. Through close cooperation with other business units, regulatory approval was obtained for the carriage of cargo in the passenger cabin of these flights.

These efforts, coupled with the focus of the staff at SIA Cargo and its ground handling partners on operational reliability and quality, helped to ensure the timely delivery of urgent shipments of medical relief supplies and personal protective equipment to places where they were needed.

Among them were two Singapore-donated consignments, which were delivered to Wuhan and Beijing respectively in February 2020. SIA Cargo has also been transporting fresh foods by air to Singapore and other parts of the world amid the Covid-19 situation, playing its part in keeping airfreight supply lines for essential goods open at a critical time.

As part of its ongoing support for the arts, SIA Cargo has brought global masterpieces to Singapore for the Asian Civilisations Museum's special exhibitions. Rare historical art pieces from the British Museum, as well as museums in Indonesia and The Netherlands, were presented in the *Raffles in Southeast Asia* exhibition in conjunction with the Singapore Bicentennial celebrations. Beautiful *haute couture* creations from Beijing and Paris were also showcased in *Guo Pei: Chinese Art and Couture* in Singapore's first-ever exhibition of a contemporary Asian couturier.

SIA Cargo was named "Air Cargo Carrier of the Year" at the Supply Chain Asia Awards 2019.





OPERATING REVIEW

PEOPLE DEVELOPMENT

Inspiring Passion in People

At Singapore Airlines, we focus our efforts on attracting talent, developing our people, and building new capabilities to enable our transformation vision. During the year, we created more opportunities for personal growth and career development, as well as invested in new competencies essential for a future-ready workforce. We focused on bringing about a purposeful employee experience.

Personal Growth and Career Development

In the modern world, where time is of the essence, we strengthened the quality and variety of courses by introducing bite-size online learning modules. Learning-on-the-go provides high quality content taught by subject matter experts. The breadth of learning resources was expanded in October 2019, with a suite of over 13,000 bite-sized courses on demand, including videos by thought leaders and industry experts. This covers a range of topics including leadership, business skills, and technical skills. Accessible online and on-the-go, SIA employees are more empowered than ever before to own their personal growth and career development.

We launched the SIA Career Centre to provide more visibility of job opportunities in the company. A Global Job Posting policy was rolled out to support global postings to our offices worldwide. As we redesigned jobs across the company, we provided three different career tracks – generalist, specialist and technology and digital roles. Our continuous learning culture is present in all we do.



Building Capabilities for a Future-Ready Workforce

In line with national initiatives to future-proof our workforce, our people acquired new capabilities such as Business Analytics, Agile Methodology, and Design Thinking skills. Beyond learning concepts, employees applied these key future economy skills to in-class projects, demonstrating the relevance to their work. To further enhance access to learning on-the-go, a mobile version of the SKIES online learning platform was introduced.

Enhancing Employee Experience

To deliver a purposeful employee experience at critical touchpoints of our employee journey, we embrace an employee-centric approach in our HR processes such as recruitment, onboarding, learning, performance management and total reward. We refined our Total Reward framework with various levers to create a differentiated employee value proposition that goes beyond pay.

Establishing goal setting and market alignment as the basis for performance differentiation provides a clear line of sight for reward decisions. In collaboration with an independent survey consultant, we embarked on a total compensation market benchmark exercise to adjust our pay structure with market shifts to attract and retain talent. The review saw key changes such as the introduction of new salary structures and creation of a new reward mechanism for high performing individuals. Beyond pay, we look into the well-being of our employees through the benefits we provide. We also recognise and show appreciation to our employees when they have done well via “Thumbs Up”, our company-wide employee recognition programme.

A more competitive and integrated reward framework will better position the SIA Group’s ability to attract, retain and motivate our employees, hence driving sustainable business performance.

Engaging Our People

We understand that our employees perform best if they feel like they can make a difference and have an impact with what they do. In October 2019, we held 10 HR Town Hall sessions and connected with over 1,200 employees in Singapore and overseas. The three topics in discussion were career development, total reward and performance management. The sessions served as a great opportunity for us to engage in a two-way dialogue with our people.

The workplace wellness initiative was introduced to encourage our people to focus on staying healthy. We are dedicated to ensuring that our employees are mentally and physically fit to tackle the challenges at work, hence our provision of a comprehensive wellness programme that goes beyond health scans. The SIA Wellness and Health Programme (WHP) aims to promote healthy lifestyles and employee well-being through a series of activities such as annual health screening, talks as well as workshops.



We also organised sports activities such as the SIA Group Run and Athletics Meet. The finals of the 38th Group Athletics Meet was combined with the Games Festival, and held at the Singapore University of Technology & Design stadium on 26 April 2019. This attracted a high turnout from our staff community. The event saw active participation and great camaraderie from the entire SIA Group staff including the SIA Engineering Company, SilkAir, Scoot and Tradewinds.



Supporting Staff Through the Covid-19 Outbreak

It is often said that a crisis brings out the best in SIA and its people. And that was, once again, demonstrated with the fight against Covid-19 taking centre-stage across the SIA Group. Engagement with staff was key as the contagion spread. Communication was increased during the challenging period to keep staff updated on the new regulations that had an impact on our operations, and to motivate everyone and keep their spirits up. Encouraging stories were also featured in various internal communications channels, shining the spotlight on colleagues and service partners who went beyond their call of duty to volunteer to assist in areas with unprecedented challenges.

An Employee Support Portal was launched to provide resources such as alternative job placement opportunities and financial relief measures from banks and government agencies. We also introduced an Enrichment Day, providing staff with paid time off to pursue learning opportunities or engage in volunteer activities every month.

Around the world, all staff could access e-learning courses on the SKIES platform and the "Learning on Demand" e-library. Selected in-house classroom courses – such as Sales and Marketing, Customer Service, and Airport and Cargo Operations – were redesigned to support distance-based learning. Content was restructured, and resources and activities were adapted for the virtual classroom environment.



OPERATING REVIEW

ENVIRONMENT

Singapore Airlines (SIA) recognises the realities of global warming trends and the consequential adverse impact on aviation safety. The scientific consensus on climate change is clear and requires the collective transformation of the entire aviation value chain to mitigate our impact on the planet. To achieve this, collaboration and innovation among stakeholders and industry partners is imperative for the positive contribution to be amplified. SIA will continue to leverage on a combination of operational efficiency and infrastructure improvements, new technologies such as sustainable aviation jet fuels (SAF), market-based measures and, most importantly, to coalesce industry action towards driving positive change.

SIA's Climate Action Pledge shows our commitment to our long-term responsibility to protect the environment while providing air transportation services of the highest quality. The SIA Group has in place various programmes to implement sustainable practices across our operations in a responsible manner to manage issues such as carbon emissions, waste, noise and the consumption of energy and resources. We also continue to explore new sustainable practices in all areas of our operations, be it on board our flights or in our ground operations.

SIA supports the International Air Transport Association's (IATA) three climate targets, and has adopted a Four-Pillar Strategy to reduce the carbon footprint of our operations. This industry strategy comprises improved technology, including the use of sustainable aviation fuels; more efficient aircraft operations; infrastructure improvements; and a single global market-based measure to address the growth in carbon emissions.¹

Improved Technology

Investing in modern and fuel-efficient aircraft is an effective way to reduce our Scope 1 emissions, with each new generation of aircraft being, on average, 20 per cent more fuel-efficient than the model it replaces². In line with SIA's continuous fleet renewal programme, SIA has one of the youngest operating passenger fleets in the world comprising 122 aircraft, with an average age of five years and five months.

More Efficient Aircraft Operations through Operational Measures

SIA's operational measures include a variety of fuel productivity initiatives which are implemented across our engineering, flight and ground operations. Some examples include optimised aircraft performance monitoring, tailored water uplift and utilising more fuel-efficient aircraft and engines for long-haul flights to reduce the amount of fuel burnt during a flight. SIA has also been adopting digital technologies to identify and implement further fuel productivity initiatives, including the use of data analytics to optimise fuel uplift and monitor fuel usage during flights. As part of this effort, in FY2019/20, SIA successfully developed a new data-driven approach to determine the optimal amount of contingency fuel needed for each flight.

Use of Sustainable Aviation Fuels

In 2019, SIA participated in Swedish airport operator Swedavia's Sustainable Aviation Fuel Incentive Scheme to deploy SAF on our passenger flights departing from Stockholm to Moscow. The use of a blend of jet fuel and SAF on SIA's Airbus A350-900 aircraft on this route will replace 1 per cent of the aircraft's fuel requirements with sustainable fuels, reducing carbon emissions by an estimated 94,000kg tonnes over the year. This was a follow-on initiative to the 2017 "Green Package Flights", the world's first to incorporate the use of SAF, fuel-efficient aircraft and optimised Air Traffic Management (ATM) measures on our flights from San Francisco to Singapore. SIA has also been a member of the Sustainable Aviation Fuel Users Group (SAFUG) since 2011.



¹ More information on the four-pillar strategy and environmental initiatives can be found in SIA's FY2019/20 Sustainability Report

² IATA, "Fact Sheet on Climate Change & CORSIA"

Energy and Emissions Management on the Ground

In FY2019/20, SIA continued with energy reduction initiatives, such as an upgrade of chiller plants and air-handling units, smart lighting system to our offices and the use of energy efficient LED light fitting. In addition, SIA leveraged on the SIA AppChallenge platform, an international hackathon that draws start-ups and innovators from all over the world, to explore innovative solutions in energy management, reduction and efficiency. SIA is committed to continue our efforts to refresh older equipment with more energy-efficient ones. SIA also partnered with SembCorp Solar to install rooftop solar panels on three of our buildings – Airline House, SIA Training Centre and TechSQ. The solar systems are expected to be commissioned in the second quarter of FY2020/21 and will generate clean energy to support up to 18 per cent of the buildings' electricity demand.

Water Management

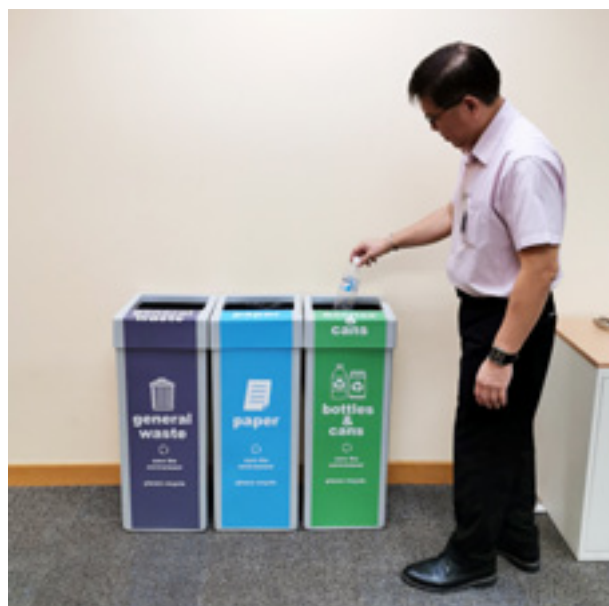
In line with the Ministry of the Environment and Water Resources' Clean Water Policy, SIA strives towards the continual improvement of water management, and reduced and more efficient usage of water across our properties. In FY2019/20, SIA implemented several water conservation and improvement initiatives. This includes installing a rainwater harvesting tank at Airline House, with the water used mainly to flush toilets and water landscaping plants. This contributes almost 46 per cent of our buildings' total water usage. We are also exploring recycling of condensate water from air-conditioning units for cooling towers to reduce water withdrawal.

Waste Reduction

Today, the world is facing a mounting waste issue. At our current pace, waste generation is expected to drastically outpace population growth by more than double by 2050. SIA recognises that sustainable waste management is crucial and requires urgent action. In FY2018/19, SIA introduced several short-term targets that included the removal of single-use plastics from our in-flight operations and the reduction of waste generated from SIA's buildings by 30 per cent by FY2020/21 from the base year FY2010/11. While the Covid-19 pandemic in early 2020 necessitated a temporary increase in single-use plastics and other materials as part of measures to ensure in-flight hygiene and cleanliness, SIA remains committed to our longer-term targets. These include reducing food waste disposal from our ground operations and paperless in-flight menus.

Through an ongoing collaboration with Lumitica, a Singapore-based food waste technology start-up, SIA aims to automate data collection and leverage

on artificial intelligence and machine learning to better understand consumers' consumption patterns and reduce catering waste. SIA has also completely replaced all plastic straws on board its aircraft with environmentally-friendly paper straws, plastic swizzle sticks with wood-based ones, polybags for children's toys with recyclable paper packaging, and paper cups with reusable cups. SIA also introduced the Beyond Excellence Service through Technology (BEST) App to digitise reports and records commonly used by our cabin and technical crew. This will help to save more than 3.1 million pieces of paper annually.



Sustainable Food Sourcing

SIA strives to source from suppliers with strong sustainable value propositions. In FY2019/20, we intensified our efforts by engaging with some of our suppliers on pilot initiatives to adopt and innovate more socially and environmentally-friendly offerings. Some of these initiatives include expanding on the Airline's 'From Farm to Plane' concept introduced in 2017, which promotes environmental sustainability and supports local farming communities. In FY2019/20, SIA stepped up its 'From Farm to Plane' programme by engaging AeroFarms, the world's largest high-tech vertical farm of its kind based in Newark, the United States.



OPERATING REVIEW

COMMUNITY ENGAGEMENT

Singapore Airlines believes in giving back to society and strengthening our relationships with the communities we serve in Singapore and around the world. We collaborate with and provide support for a diverse range of activities, which seek to touch the lives of people and contribute solutions to pressing global challenges.

Community Projects in Singapore

In Singapore, SIA has a longstanding commitment to projects that have a positive impact on lives. We are proud to continually support and inspire our beneficiaries.

Since 2017, over 30 million KrisFlyer miles have been redeemed to fulfil the travel wishes of Make-A-Wish beneficiaries and their families, thanks to the generous donations by our members. SIA has been partnering the Movement for the Intellectually Disabled of Singapore (MINDS) since 1992 to service and pack our Economy Class earphones and headphones. We renewed our partnership in June 2020 for another five years. This will support more than 340 trainees at MINDS by providing them with employment opportunities, and keeping them socially active and agile. Our Scoot employees have also volunteered at the Willing Hearts soup kitchen for needy beneficiaries, while SIA employees helped pack and share bags of food and household items with vulnerable seniors and families as part of the Community Chest Fú Dài 2020 event.



We also believe in investing in our society's future and nurturing the minds of tomorrow's leaders and workforce. This year, together with SIAEC, we have committed to a cash contribution of \$1 million to the NTUC Education and Training Fund, which was set up to help upgrade and reskill eligible workers.

SIA is also an advocate of the arts, culture and sports scenes in Singapore. We continue to be a proud sponsor of the National Arts Council, Singapore Chinese Orchestra, Singapore Dance Theatre, Singapore Lyric Opera, Singapore Symphony Orchestra, Singapore National Olympic Council and Singapore Sports School. Our ticket sponsorships, amounting approximately \$140,000 this year, enable our beneficiaries to bring in international artistes for their performances, or send our Singapore-based talents overseas to widen their horizons.

Overseas Community Projects

SIA's overseas stations similarly support meaningful causes with a lasting impact on lives around the world. In Nagoya, Japan, SIA hosted a 'Children's Social Studies' event for 30 elementary school students and conducted a Teachers Forum to bring together the teaching fraternities of Nagoya and Singapore in the spirit of mutual learning and friendship. Since 2014, SIA has also been visiting the Fukuoka Children's Hospital in Japan to bring Christmas cheer to children and their families. SIA also spent the festive season with underprivileged children at the Jongno Community Welfare Center in South Korea. The children were treated to a wide range of activities including a magic show and delicious meals, helping to bring them unforgettable memories. Since 2018, SIA has also been supporting Eden, a charitable trust that serves persons with disabilities as well as socially marginalised groups in Taiwan. Through online donation drives, we raised over \$42,000 for children with developmental delays.



In South East Asia, SIA has been supporting Bantay Bata 163, a child welfare programme in the Philippines that helps to protect disadvantaged and at-risk children, since 2004. This year, we extended our financial support for over 70 elementary school students nationwide for their school-related projects, field trips, and activities. SilkAir also supported its adopted charity in the Mekong sub-region, the Child's Dream Foundation, a non-profit organisation committed to empowering marginalised children and youth in the areas of education, employment and health.

Since 2012, SIA has been supporting The Smith Family, a national independent children's charity helping disadvantaged Australians. As a national sponsor of The Smith Family's 'Learning for Life' educational assistance programme, we provided financial support and flight tickets for 12 disadvantaged students across Australia. In New Zealand, SIA has been a proud sponsor of the Canterbury-West Coast Division of the Cancer Society since 2009, an organisation dedicated to improving community well-being by reducing the incidence and impact of cancer. Donations were used to support cancer research and care for those diagnosed with cancer. This year, we also raised over \$21,000 for the New Zealand Arts Foundation, which seeks to recognise and reward artists who are having an impact on New Zealand's society.

SUBSIDIARIES

SIA ENGINEERING COMPANY

BUSINESS SEGMENTS

As a trusted maintenance, repair and overhaul (MRO) partner to its global airline customers and aerospace equipment manufacturers in Asia Pacific, SIA Engineering Company (SIAEC) provides line maintenance services at 35 airports strategically located across seven countries, and a suite of high-quality integrated MRO solutions on some of the most advanced and widely used commercial aircraft in the world.

At its one-stop maintenance facility in Singapore, its 56,000 square-metre facility comprises six hangars, including a purpose-built hangar to accommodate the Airbus A380. Another three hangars are located in Clark, Philippines, providing SIAEC with an extended reach to airline customers in the region.

During the year in review, SIAEC signed a 10-year agreement to provide engine maintenance services to Safran Aircraft Engines. The agreement will see SIAEC provide engine Quick Turn (QT) and modification embodiment services for Safran's CFM LEAP-1A and LEAP-1B engines at a dedicated facility, which will be equipped with the latest technology and processes to enhance its engine maintenance capabilities.

At its home base in Singapore, SIAEC handled 149,804 flights at Changi Airport during FY2019/20. As a result of the Covid-19 outbreak, cleaning and precautionary measures on board aircraft operated by the SIA Group airlines were ramped up for the safety of passengers, crew and staff. SIAEC stepped up to perform disinfectant fogging on aircraft upon arrival. This takes about 90 minutes for an A380 aircraft and 60 minutes for all other aircraft types.

SIAEC expanded its international network of line maintenance stations with a series of joint venture partnerships. In Malaysia, SIAEC entered into an agreement with Pos Aviation to acquire a 49 per cent stake in Pos Aviation Engineering Services (PAES). PAES's operations in Kuala Lumpur International Airport and nine other stations in Malaysia will complement SIAEC's international network. SIAEC also signed an agreement with Air Innovation Korea (AIK) to form a line maintenance joint venture in South Korea. This partnership supplements the A320 CEO / NEO fleet Inventory Technical Management Programme of AIK's wholly owned subsidiary, Aero K Airlines, under which SIAEC provides support for component pooling as well as repair and overhaul management services for a period of six years for each fleet type.

SIAEC is a major fleet management service provider to the region and beyond, with 92 aircraft under management at the end of FY2019/20. Its integrated total-care solution covers engineering, maintenance support activities and inventory management, including the formulation and the upkeep of aircraft maintenance programmes, maintenance planning and control, engineering design, reliability programmes, materials support, logistics and supply chain management as well as turn-key solutions to assist airlines in aircraft-entry-into-service preparations.

SIAEC's 26 subsidiaries and joint ventures with original equipment manufacturers and strategic partners in eight countries increase the depth and breadth of the company's service offerings. SIAEC strengthened its portfolio of joint ventures with the incorporation of GE Aviation, Overhaul Services – Singapore, its engine overhaul joint venture with GE Aviation. The joint venture will provide a full range of engine MRO services for the GE90 and GE9X engines at a state-of-the-art facility which will utilise digitalisation and data analytics to enhance productivity.

INNOVATION AND TRANSFORMATION

SIAEC has developed an Operations and Technology Capability Roadmap to sharpen its focus in its innovation drive, and enable it to achieve a digitally enabled workforce while enhancing productivity, quality and safety. To support this, SIAEC introduced the Smart MX App, a comprehensive one-stop application that provides access to maintenance manuals and various work-related information. The Track & Trace application was also developed to locate and reserve non-motorised equipment using GPS-based trackers. Productivity improvements were achieved through automated solutions for processes in workshops, including scarfing and adhesive application, and the introduction of the Pneumatic Tube System that reduced the average delivery time of small spares between locations from 90 minutes to just five minutes. Among the initiatives to improve airside driving safety, SIAEC introduced a Virtual Reality (VR) driving simulator to enhance the quality of training and installed a driver fatigue and distraction detection system in vehicles.

These innovation efforts would not be possible without the strong support and active participation of all staff. As part of SIAEC's commitment to encourage staff to develop innovative solutions and technology to drive business productivity, safety, sustainability and new capabilities, the Innovation Challenge 2019 was held.



A number of the staff-initiated ideas were showcased at SIAEC's annual Innovation Week. This included the VR driving simulator, as well as a more efficient and cost-effective system to cool brakes. Implemented ideas such as VR-based training for maintenance tasks, and motorised steps which require just one person instead of four to move it, were also recognised at the 2019 Changi Airport Group Safety Awards.

One of the key goals of SIAEC's Transformation is to position itself as the MRO partner of choice. It aims to achieve this by offering high quality services, empowering its employees while fostering high performing teams, and delivering productivity improvements to achieve financial targets. SIAEC's transformation initiatives have delivered significant improvements in operating performance from the generation of productivity gains, improvements in manpower utilisation and turnaround time, creation of capacity for growth and reduction in operating costs.

OPERATING RESULTS

SIA Engineering Company (SIAEC) Group registered a profit attributable to owners of the parent of \$194 million for FY2019/20, an increase of \$33 million (+20.4 per cent) year-on-year. Group operating profit increased \$11 million (+19.2 per cent) to \$68 million. The strong performance recorded in the first nine months of the financial year continued into the last quarter until significant flight cancellations severely impacted the line maintenance business. The growth in operating profit was also supported by SIAEC's Transformation efforts, which has delivered improvements in manpower utilisation and reduced costs. Group revenue at \$994 million was \$27 million (-2.6 per cent) lower, mainly due to a decrease in airframe and line maintenance revenue. Share of profits from associated and joint venture companies was \$128 million, \$14 million (+12.3 per cent) higher year-on-year, with \$18 million higher contributions from the engine and component segment and \$4 million lower contributions from the airframe and line maintenance segment.



Network of line maintenance stations cover **35** airports



Handled **149,804** flights at Changi Airport during FY2019/20

SUBSIDIARIES

SIA ENGINEERING COMPANY

STAYING VIGILANT AND PREPARED

The Covid-19 pandemic has led to an unprecedented adverse impact on the global aviation industry and consequently on the MRO business without clear visibility on the timing of its recovery. Border controls imposed by countries worldwide and the precipitous decline in travel demand forced drastic cuts in flight capacities and even grounding of aircraft. This had an immediate impact on the SIAEC Group's transit handling business at its Singapore base and overseas line maintenance stations. An extended period of flight restrictions will also have a consequent impact on SIAEC's other businesses.

The SIAEC Group assessed the situation and proactively implemented measures to mitigate the impact. These included aligning with the pandemic response plan of the parent company to protect the safety and health of our staff, and activating and reviewing business continuity plans to protect and minimise disruptions to operations. This involves making rapid adjustments to the Group's operations in response to the evolving situation, taking actions to mitigate the adverse financial impact and working closely with partners and customers to jointly address the challenges during this difficult period.

Apart from pay cuts taken by the management, SIAEC worked closely with its unions on other measures, including voluntary and compulsory no-pay-leave, furlough for staff on re-employment contracts and deferment of salary increments and promotions. The SIAEC Board also volunteered a reduction of 25 per cent in fees in solidarity with the management and staff.

SIAEC's healthy balance sheet with a strong cash position and low borrowings puts it in a good position to weather the downturn, with careful management of expenses and cash flow. Nonetheless, as the situation is dynamic, SIAEC will continue to monitor this closely and where necessary, secure additional financing. SIAEC, together with its partners and joint venture companies, is actively managing the impact of the pandemic on operations and business, reducing operating costs, deferring non-critical capital expenditure and maintaining adequate liquidity.

Beyond cost reduction measures, SIAEC is deploying staff to perform aircraft preservation maintenance, actively engaging airlines to schedule maintenance checks during periods of lull traffic, redeploying resources to areas with work demand and scheduling staff for technical and skills training courses.

Notwithstanding the challenges ahead, SIAEC will continue to drive its Transformation efforts and investments in technology to achieve higher productivity, build capability and equip staff with new skillsets with the aim to continuously improve.

Given the changes and challenges posed by the Covid-19 outbreak, SIAEC will review its portfolio of investments. While remaining vigilant to such challenges, SIAEC will balance the need to conserve its cash resources and yet continue to look out for new investment and partnership opportunities to emerge stronger as a trusted partner in the global MRO industry.



SILKAIR



During the financial year in review, SilkAir, the regional wing of Singapore Airlines, remained committed to providing service excellence in the region ahead of its eventual integration with its parent airline.

In May 2019, SilkAir launched non-stop flights to its first South Korean destination, Busan. Due to strong demand, SilkAir's services to Busan were transferred to SIA in October 2019 to boost seat capacity on the route.

SilkAir ceased services to Vientiane and Luang Prabang in March 2019 and transferred them to Scoot. In FY2019/20, SilkAir transferred nine more routes to Scoot. These included services to Changsha, Chiang Mai, Coimbatore, Fuzhou, Kunming, Kota Kinabalu, Trivandrum, Visakhapatnam and Wuhan. SilkAir also suspended the Yangon-Mandalay circular flights and began operating Mandalay services on a seasonal basis.

SilkAir also suspended services to Hiroshima and Kolkata in March 2020. Due to global travel restrictions as a result of the Covid-19 outbreak, SilkAir made temporary reductions across its network from February 2020 to meet the falling demand for air travel. As of 31 March 2020, SilkAir's network spans 36 destinations.

SilkAir's operating fleet of 25 aircraft comprised two Airbus A319s, six A320s and 17 Boeing 737-800s as at 31 March 2020. This excludes six 737 MAX 8s, which continue to be grounded.

As part of its commitment to corporate social responsibility, SilkAir continued to support its adopted charity, the Child's Dream Foundation, in FY2019/20. Operating in the Mekong sub-region, the Foundation is a non-profit organisation that is committed to empowering marginalised children and youth in the areas of education, employment and health. In FY2019/20, SilkAir supported Child's Dream by sponsoring air tickets for the charity's staff. In addition, SilkAir staff in Cambodia participated in a high school career fair in Siem Reap to share about their roles in aviation with the graduating students.

SilkAir continues to be recognised for its excellence in product and service quality in the region. In FY2019/20, SilkAir was awarded a Five Star Regional Airline Award for 2019 and a Four Star Major Airline Rating in 2020 from the Airline Passenger Experience Association (APEX).

SilkAir was named Indonesia's Leading Regional Airline at the Indonesia Travel and Tourism Awards (ITTA). In China, SilkAir was named the Best Regional Airline by the Global Chinese Travel Awards and China Magazine Travel Awards. SilkAir also won the Best Airlines by Readers' Choice Award by Xiamen News Daily and the Recommended Airlines Award by Travel + Leisure China.

In India, SilkAir was named the Best Regional Airline for 2019 at the Deepika Business Excellence Awards as well as the Airline of the Year by Ente Samrambham's Hotel & Tourism Awards 2020.



SUBSIDIARIES

SCOOT



True to its role as an enabler of affordable travel and new and meaningful experiences, Scoot introduced 11 new destinations to its network in FY2019/20, of which 10 had been transferred from SilkAir. They are Vientiane and Luang Prabang in Laos; Coimbatore, Trivandrum and Visakhapatnam in India; Changsha, Fuzhou, Kunming, and Wuhan in China; and Kota Kinabalu in Malaysia. Scoot also launched services to Kota Bharu in FY2019/20.

SilkAir's services to Chiang Mai were also transferred to Scoot, supplementing the low-cost carrier's existing services to the Thai city. As at 31 March 2020, Scoot's total network count was 68 destinations. More services are scheduled to be transferred from SilkAir to Scoot in the current fiscal year.

Scoot also focused on making improvements to the customer experience across all touchpoints during the year. The airline sought to clarify and listen to customer feedback, to identify areas that needed improvements, and roll out measures to address them.

Many of these projects were driven by Scoot's dedicated Customer Experience team, which was established in July 2018 and uses customer sentiments sourced from Scoot's post-flight feedback surveys. Refinements include Scoot's refreshed in-flight meal packaging, the transfer of service requests to self-service channels to improve processing time, and an overall enhanced online booking experience. These measures have since tracked an overall three percentage point increase in the customer satisfaction score.

In line with its brand of fun and spontaneity, and to encourage customers to Escape the Ordinary in new ways, Scoot introduced a new and innovative service called Escape Class in May 2019 to cater to the spontaneous traveller. Offering last minute flights for departure within 14 days from the date of booking, Escape Class aims to reward those with an itch for spontaneous travel with unbeatable ticket prices. It also takes things up a notch by sending adventurous travellers to a mystery random destination, based on how far they want to go, their travel dates, and seat availability.

Scoot regularly refreshes its fleet to enhance the flight experience. In July 2019, Scoot announced plans to progressively introduce 16 new Airbus A321neo aircraft into its fleet. Featuring brand-new cabin interiors, the A321neos will enable the airline's growth plans, and will be deployed on routes within six hours. The Airbus A321neo will be fitted with 236 seats, 50 more than that of the Airbus A320neo. Powered by Pratt & Whitney engines, there is an expected fuel cost savings of 12 per cent¹ compared to the A320neos and 20 per cent² compared to the A320neos, in addition to reductions in noise footprint, nitrogen oxide and carbon dioxide emissions. As of 31 March 2020, Scoot's fleet comprises 49 aircraft which include 20 Boeing 787s and 29 Airbus A320-family aircraft, with three Boeing 787-8s, two Boeing 787-9s, 30 Airbus A320neos and 16 Airbus A321neo aircraft on order.

In September 2019, Scoot's popular premium in-flight offering ScootBiz was renamed ScootPlus. The in-flight offerings for ScootPlus remain unchanged, except for the replacement of the ScooTV streaming in-flight entertainment option with a 30MB in-flight Wi-Fi data session. This change was based on the results of a social media survey, which revealed that an overwhelming 80 per cent of Scoot customers preferred to have internet connectivity during their flights.

¹ Based on manufacturer's data.

² Based on manufacturer's data.



To offer customers even greater value, Scoot has been progressively removing payment processing fees in selected markets since March 2018 in line with its goal to make travel attainable for all. In September 2019, Scoot eliminated all applicable payment processing fees for all bookings on its direct channels such as its website and mobile app. In FY2019/20, Scoot rolled out Google Pay (April 2019), Apple Pay (June 2019) as well as Momo (August 2019) payment options, adding to Credit Card, PayPal, DragonPay in the Philippines, AXS and PayNow in Singapore, POLi in Australia, Konbini in Japan, and WeChat Pay and Alipay in China. Scoot now offers 16 different payment options across its network, giving customers greater convenience when they book their flights.

To provide a more seamless and improved customer experience, Scoot relocated its operations at Singapore Changi Airport to the newly renovated Terminal 1 in October 2019. That provides customers with more self-service check-in and automated bag-drop facilities, and locates Scoot's operations next to Jewel, the award-winning retail and leisure mall.

Customers could also check-in online from more Scoot destinations during the year. This added Bangkok, Chiang Mai, Gold Coast, Hat Yai, Krabi, Phuket, Perth and Sydney to the list, which previously included Berlin, Singapore, Seoul and all points in India. Mobile check-in via WeChat was also introduced in May 2019.

In October 2019, Scoot launched the world's first Yellow Converter in Singapore. This three-day Scoot promotional event encouraged anyone to convert anything yellow into free Scoot flights, travel vouchers as well as Scoot merchandise. The unique brand campaign leveraged on Scoot's signature brand colour, allowing anyone to use the colour as a form of currency. The more yellow items brought and the more creative the exchange, the better the reward.



Scoot's longstanding mission has always been to make travel attainable for all and to enable them to venture beyond the familiar and challenge the status quo, from introducing off-the-beaten-track destinations to the development of the first transactional chatbot by an Asian airline.

As a testament to Scoot's commitment to continuously improve the customer experience and encourage affordable, off-the-beaten-track travel to excite travellers, Scoot was awarded "Best Low-Cost Carrier" at both the 30th Annual TTG Travel Awards 2019 and Travel Weekly Asia 2019 Readers' Choice Awards.

In January 2020, during the Covid-19 outbreak, Scoot mounted a flight to Wuhan to bring 92 Singaporeans back to Singapore as part of a special arrangement with the Singapore authorities. A second Scoot flight was deployed to Wuhan in February 2020 to deliver humanitarian assistance from the Singapore Government, and to return 174 Singaporeans and their family members back to Singapore. The flight also brought some Chinese nationals back to Wuhan. Scoot also mounted similar flights to and from Chennai in India and Kuala Lumpur in Malaysia in April 2020.

Throughout the Covid-19 outbreak, Scoot understood that customers were grappling with uncertainty and wished to change their travel plans. To alleviate the stress on customers, Scoot mobilised a team to create a self-service portal for eligible customers to submit their requests online at their convenience. The portal took about three weeks to develop, test, and implement.

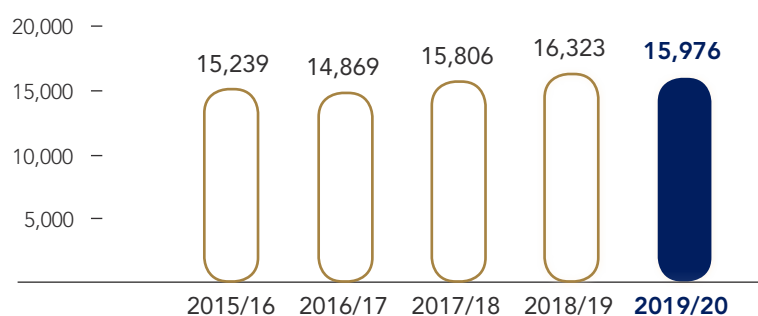
Scoot offered a one-time free date change to all new bookings to provide further flexibility for customers. In April 2020, Scoot offered all customers two options - to claim a 100 per cent refund via the original mode of payment or obtain a 120 per cent refund in Scoot vouchers.

FINANCIAL REVIEW

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

REVENUE

(\$ million)

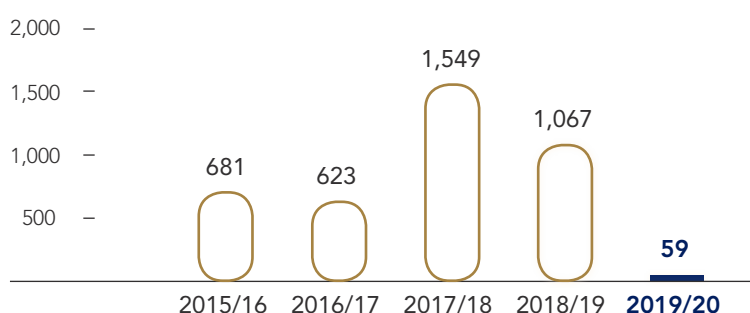


\$15,976 million

(-\$347 million, -2.1%)

OPERATING PROFIT

(\$ million)

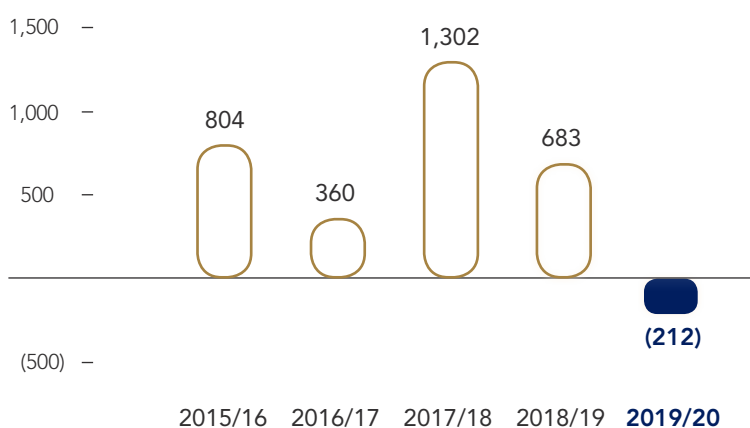


\$59 million

(-\$1,008 million, -94.5%)

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

(\$ million)



\$(212) million

(-\$895 million)

PERFORMANCE OF THE GROUP

KEY FINANCIAL HIGHLIGHTS

t	2019/20	2018/19	% Change	
Earnings For The Year (\$ million)				
Revenue	15,975.9	16,323.2	-	2.1
Expenditure	15,916.8	15,256.1	+	4.3
Operating profit	59.1	1,067.1	-	94.5
(Loss)/Profit attributable to owners of the Company	(212.0)	682.7	n.m.	
Per Share Data (cents)				
(Loss)/Earnings per share – basic	(17.9)	57.7	n.m.	
Ordinary dividend per share	8.0	30.0	-	73.3
Ratios (%)				
Return on equity holders' funds	(1.9)	5.2	-	7.1 points
Return on total assets	(0.5)	2.6	-	3.1 points

GROUP EARNINGS

Group operating profit for the financial year declined \$1,008 million (-94.5 per cent) against last year to \$59 million, predominantly attributable to the impact of the Covid-19 pandemic on the aviation industry in the fourth quarter of FY2019/20. The Group entered the fourth quarter of the financial year on the back of a strong performance for the first nine months, driven by robust passenger traffic numbers. However, the market conditions deteriorated abruptly in February 2020 as the Covid-19 outbreak started to spread globally. Fears about the spread of the virus, as well as global travel restrictions and border controls, led to a collapse in the demand for air travel, severely impacting the financial results of the three airlines in the Group.

Group revenue fell \$347 million (-2.1 per cent) year-on-year to \$15,976 million, largely contributed by Singapore Airlines (the "Parent Airline Company" or the "Company"), SilkAir and Scoot.

The fall in revenue at the Parent Airline Company was mainly due to a decline in cargo revenue, as both loads (-8.8 per cent) and yields (-3.8 per cent) came in lower amidst a challenging trading landscape posed by international trade tensions and export manufacturing slowdown in key economies. The passenger segment registered a marginal improvement as revenue gains from growth in traffic (+1.5 per cent). The West Asia & Africa and Americas route regions benefited from stronger overall demand, and the introduction of new non-stop services. These were offset by traffic declines induced by the pandemic in the fourth quarter and weaker yields (-1.0 per cent).

The revenue reductions from SilkAir and Scoot were attributable to lower passenger flown revenue from respective declines in capacity (-9.7 per cent, -2.7 per cent), brought about by flight cancellations following the outbreak of Covid-19, traffic (-8.3 per cent, -2.2 per cent) and yields (both -1.8 per cent). In addition, the grounding of the 737 MAX 8 fleet and progressive transfer of routes to Scoot also caused a reduction in SilkAir's capacity.

	2019/20 \$ million	2018/19 \$ million	% Change	
Singapore Airlines	12,918.0	13,054.2	-	1.0
SilkAir	888.2	1,011.1	-	12.2
Scoot	1,624.8	1,710.8	-	5.0
SIA Engineering	444.9	485.7	-	8.4
Others	100.0	61.4	+	62.9
Total revenue	15,975.9	16,323.2	-	2.1



FINANCIAL REVIEW

PERFORMANCE OF THE GROUP (CONTINUED)

GROUP EARNINGS (CONTINUED)

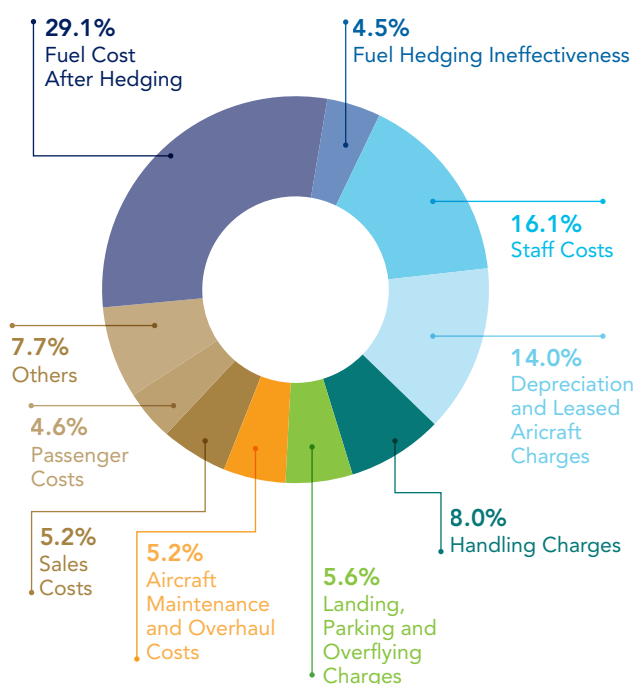
Group expenditure rose \$661 million (+4.3 per cent) year-on-year to \$15,917 million, primarily driven by mark-to-market losses of \$710 million on ineffective fuel hedges for FY2020/21, attributable to a plunge in fuel prices and expected capacity cuts.

Fuel prices plummeted towards the end of the financial year, triggered by a slump in demand for oil due to the Covid-19 pandemic amid an unexpected price war and a consequent supply glut, resulting in fuel hedging losses upon contracts maturity. In addition, the expected capacity cuts in FY2020/21 will lead to lower fuel consumption than previously anticipated based on normal operating conditions, causing the Group to be in an over-hedged position. Consequently, the Group recorded the substantial mark-to-market losses of \$710 million on these surplus hedges in the current financial year.

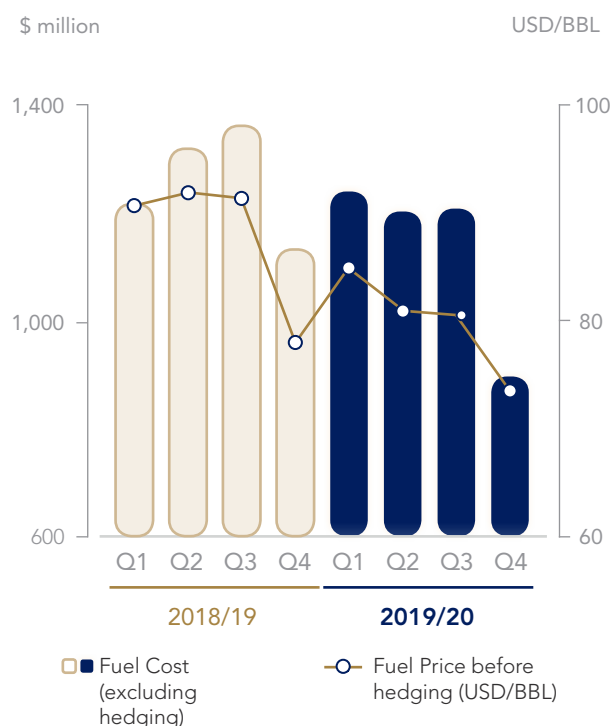
Fuel cost after hedging rose by \$49 million (+1.1 per cent), largely from fuel hedging losses against gains last year (+\$543 million) and a stronger US Dollar against the Singapore Dollar (+\$29 million), partially offset by 9.1 per cent decrease in average jet fuel prices (-\$447 million) and decrease in volume uplifted (-\$76 million).

Non-fuel costs decreased \$98 million (-0.9 per cent), mainly attributable to government grants received to help businesses tide over the Covid-19 crisis and cost management measures.

Group Expenditure



Quarterly Trend of Group Fuel Price and Fuel Cost (excluding hedging)



PERFORMANCE OF THE GROUP (CONTINUED)

The Group's operating profit declined \$1,008 million to \$59 million (-94.5 per cent) for the financial year ended 31 March 2020. The three airlines in the Group were significantly impacted by the Covid-19 pandemic and recorded weaker operating performance over last year, while SIA Engineering's 19.2 per cent better operating results slightly cushioned the decline. Singapore Airlines earned an operating profit of \$294 million in the financial year, a \$697 million reduction compared to last year. SilkAir recorded an operating loss of \$112 million for the fiscal year, a reversal from last year's operating profit of \$15 million. Scoot's operating loss widened \$183 million from the prior year. Please refer to the review of the Company and subsidiary companies for further details.

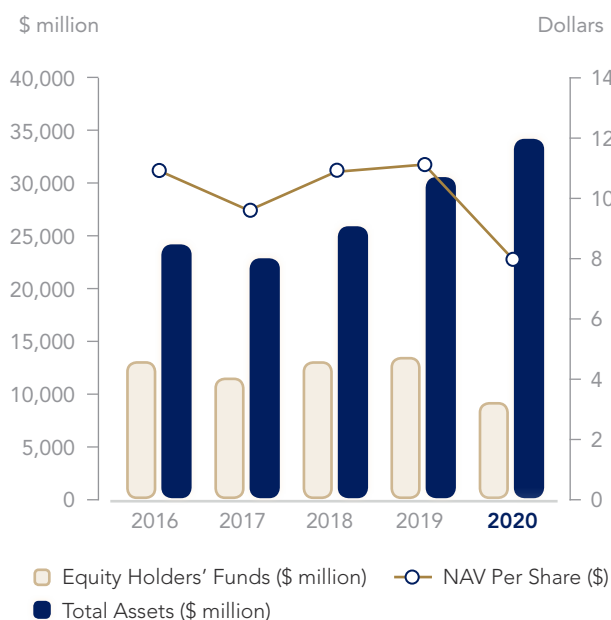
The Group registered a net loss of \$212 million, a reversal of \$895 million from last year's net profit of \$683 million. This was mainly driven by the weaker operating performance (-\$1,008 million) as well as an increase in net finance charges (-\$105 million) due to the recognition of interest expense arising from lease liabilities, with the adoption of IFRS 16 *Leases*, and additional financing for capital expenditure. The swing from tax expense to tax credit (+\$198 million) and lower provision for SilkAir's re-fleeting costs and restructuring costs in preparation for the carrier's integration into SIA (+\$53 million) partly offset the losses.

FINANCIAL POSITION

From 1 April 2019, the Group adopted IFRS 16, a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Group applied the modified retrospective approach which allows for an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information. The effect of IFRS 16 on the Group's financial position is being included in the following analysis.

Equity attributable to owners of the parent decreased by \$3,973 million (-29.9 per cent) to \$9,314 million as at 31 March 2020, largely due to fair value movement on cash flow hedges (-\$2,611 million), adoption of IFRS 16 (-\$847 million), payment of dividends (-\$356 million) and net loss for the financial year (-\$212 million). The fair value movement on cash flow hedges of \$2,611 million was primarily attributable to the swing from gains to losses in the fair values of outstanding fuel hedges driven by the slump in average forward prices.

Group Equity Holders' Funds, Total Assets and Net Asset Value (NAV) per Share



Total Group assets increased \$3,208 million (+10.5 per cent) to \$33,713 million. The increase was mainly due to an increase in property, plant and equipment (+\$3,310 million) and ROU assets arising from adoption of IFRS 16 (+\$1,478 million), partially offset by a decrease in trade debtors (-\$707 million), derivative assets (-\$549 million) and cash and bank balances (-\$259 million). Property, plant and equipment increased largely due to asset acquisitions with the delivery of aircraft during the year. The decline in trade debtors was mainly due to lower sales stemming from flight cancellations following the Covid-19 outbreak. The decrease in derivative assets was largely attributable to a swing from fair value gains to fair value losses on fuel hedges. Cash balances fell primarily due to capital expenditure (-\$5,104 million), repayment of borrowings (-\$878 million), repayment of lease liabilities (-\$574 million) and payment of dividends (-\$356 million), partially offset by proceeds from borrowings, net of transactions costs (+\$3,981 million) and cash generated from operations (+\$2,732 million).

Total Group liabilities increased by \$7,158 million (+42.6 per cent) to \$23,980 million as at 31 March 2020, primarily due to an increase in derivative liabilities (+\$3,260 million), borrowings (+\$3,170 million) and lease liabilities from adoption of IFRS 16 (+\$1,961 million). These were partially offset by lower deferred taxation (-\$705 million) and sales in advance of carriage (-\$674 million).

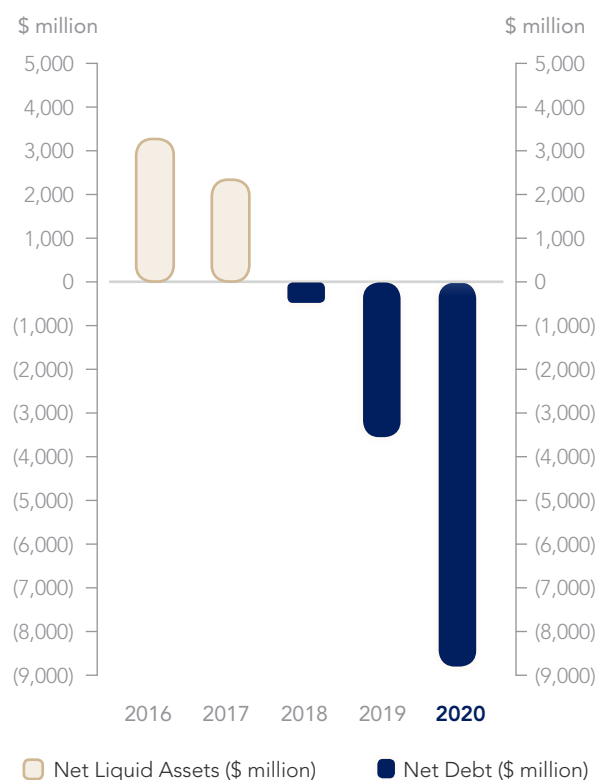


FINANCIAL REVIEW

PERFORMANCE OF THE GROUP (CONTINUED)

The Group's net debt^{R1} rose to \$8,676 million as at 31 March 2020, \$5,082 million higher than the prior year, primarily attributable to an increase in total debt from loans drawn down by the Group (+\$3,169 million) and lease liabilities (+\$1,961 million) following the adoption of IFRS 16. Total debt to equity ratio increased from 0.50 times to 1.27 times as at 31 March 2020.

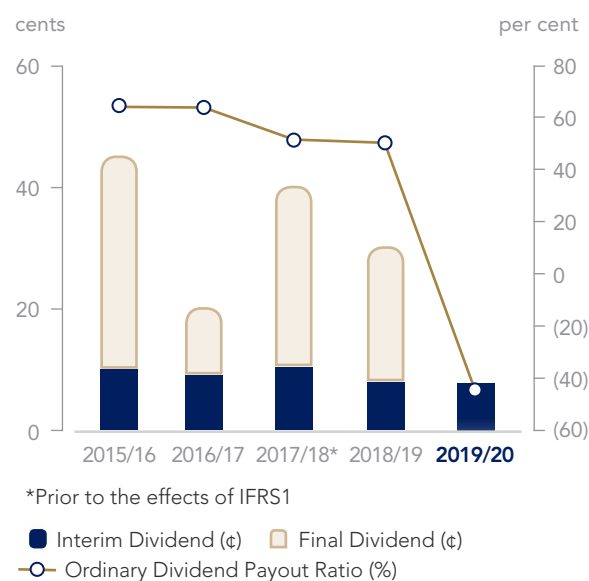
Group Net Liquid Assets and Net Debt



DIVIDENDS

For the financial year ended 31 March 2020, the Board recommends that no final dividend be declared, as the need for cash conservation is of paramount importance given the significant impact of the Covid-19 pandemic to the Group. The total dividend for the 2019/20 financial year will be 8 cents per share, comprising the interim dividend of 8 cents per share paid on 27 November 2019. This amounted to a payout of \$95 million based on the number of issued shares as at 15 November 2019.

Dividend Payout



*Prior to the effects of IFRS1

■ Interim Dividend (¢) ■ Final Dividend (¢)
—○— Ordinary Dividend Payout Ratio (%)

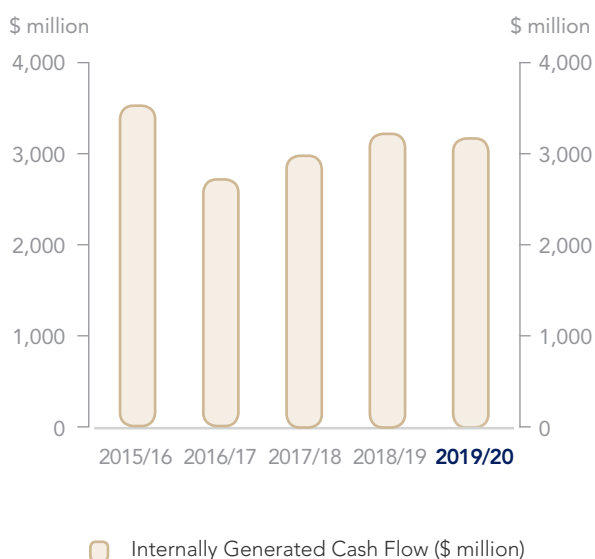
^{R1} Net debt is defined as lease liabilities, loans and bonds issued, net of the sum of cash and bank balances and short-term investments.

PERFORMANCE OF THE GROUP (CONTINUED)

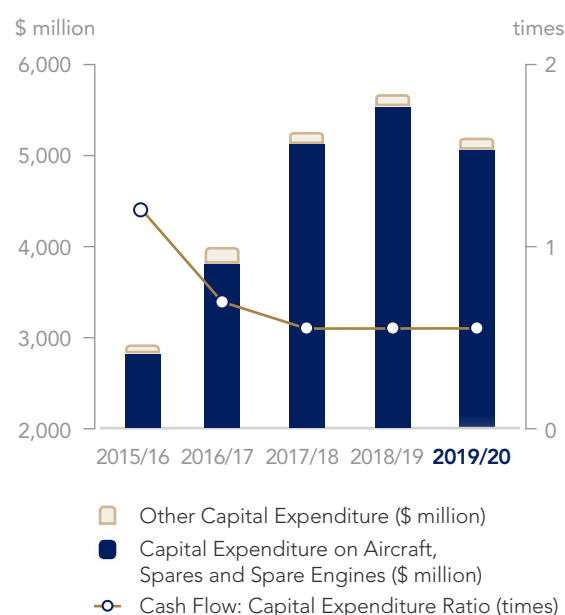
CAPITAL EXPENDITURE AND CASH FLOW OF THE GROUP

Capital expenditure was \$5,104 million, 8.2 per cent lower than last year. Approximately 97 per cent of the capital spending was on aircraft, spares and spare engines. Internally generated cash flow of \$3,077 million (-1.2 per cent) was approximately 60 per cent of capital expenditure. The decrease in internally generated cash flow was attributable to lower cash flow from operations, proceeds from the disposal of aircraft, spares and spare engines, and dividends received from associated and joint venture companies, partially offset by proceeds from sale and leaseback transactions.

Internally Generated Cash Flow



Group Capital Expenditure



GROUP STAFF STRENGTH AND PRODUCTIVITY

The Group's staff strength as at 31 March 2020 was as follows:

	31 March		
	2020	2019	% Change
Singapore Airlines	17,204	16,316	+ 5.4
SIA Engineering	6,848	6,673	+ 2.6
SilkAir	1,389	1,484	- 6.4
Scoot	2,406	2,334	+ 3.1
Others	313	271	+ 15.5
	28,160	27,078	+ 4.0

Average staff productivity was as follows:

	2019/20	2018/19	% Change
Revenue per employee (\$)	578,439	615,181	- 6.0
Value added per employee (\$)	172,899	200,283	- 13.7



FINANCIAL REVIEW

PERFORMANCE OF THE GROUP (CONTINUED)

STATEMENTS OF VALUE ADDED AND ITS DISTRIBUTION

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

	2019/20 \$ million	2018/19 \$ million
Total revenue	15,975.9	16,323.2
Less: Purchase of goods and services	(11,147.3)	(11,049.4)
	4,828.6	5,273.8
Add:		
Interest income	42.1	41.9
Surplus/(Loss) on disposal of aircraft, spares and spare engines	6.9	(5.8)
Dividends from long-term investments	3.2	3.1
Other non-operating items	(31.9)	(47.4)
Share of profits of joint venture companies	49.3	26.5
Share of (losses)/profits of associated companies	(122.9)	22.2
Total value added for distribution	4,775.3	5,314.3
Applied as follows:		
To employees:		
- Salaries and other staff cost	2,563.6	2,816.9
To government:		
- Corporation taxes	55.9	269.9
To suppliers of capital:		
- Interim and proposed dividends	94.8	355.1
- Finance charges	220.9	116.1
- Non-controlling interests	42.6	38.9
Retained for future capital requirements:		
- Depreciation, amortisation and impairment	2,205.9	1,389.8
- Retained (loss)/profit	(408.4)	327.6
Total value added	4,775.3	5,314.3
Value added per \$ revenue (\$)	0.30	0.33
Value added per \$ employment cost (\$)	1.86	1.89
Value added per \$ investment in property, plant and equipment (\$)	0.15	0.20

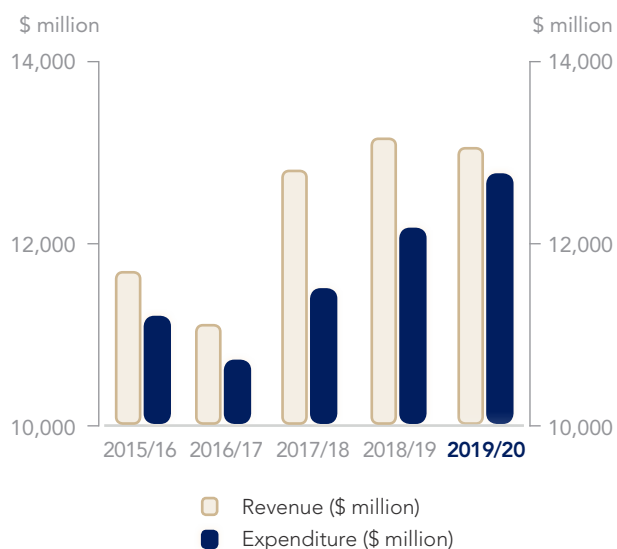
PERFORMANCE OF THE COMPANY

EARNINGS

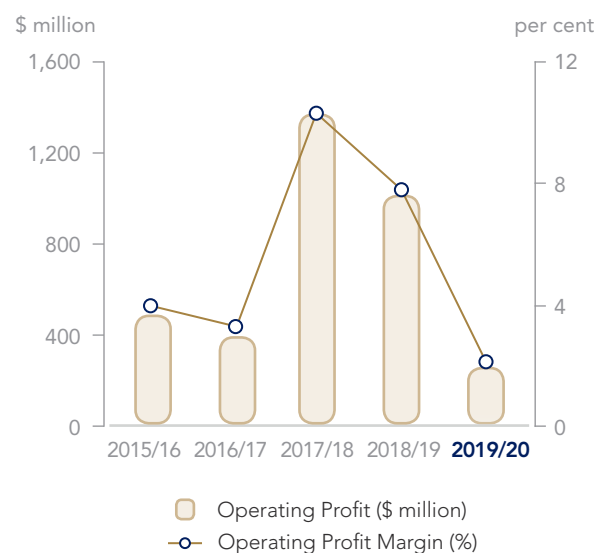
	2019/20 \$ million	2018/19 \$ million	% Change	
Revenue	13,012.7	13,144.2	-	1.0
Expenditure	12,718.5	12,153.7	+	4.6
Operating profit	294.2	990.5	-	70.3
Finance charges	(197.3)	(114.0)	+	73.1
Interest income	91.1	74.6	+	22.1
Surplus on disposal of aircraft, spares and spare engines	6.8	4.1	+	65.9
Dividends from subsidiary and associated companies	101.5	173.9	-	41.6
Dividends from long-term investments	3.1	3.1	-	-
Other non-operating items	(589.7)	(193.4)		n.m.
(Loss)/Profit before taxation	(290.3)	938.8		n.m.
Taxation	6.8	(159.7)		n.m.
(Loss)/Profit after taxation	(283.5)	779.1		n.m.

n.m. not meaningful

Company Revenue and Expenditure



Operating Profit and Operating Profit Margin





FINANCIAL REVIEW

PERFORMANCE OF THE COMPANY (CONTINUED)

REVENUE

	2019/20	2018/19	Change	
	\$ million	\$ million	\$ million	%
Passenger flown revenue	10,392.3	10,384.3	+ 8.0	+ 0.1
Cargo and mail revenue	1,951.4	2,220.5	- 269.1	- 12.1
Others	669.0	539.4	+ 129.6	+ 24.0
Total operating revenue	13,012.7	13,144.2	- 131.5	- 1.0

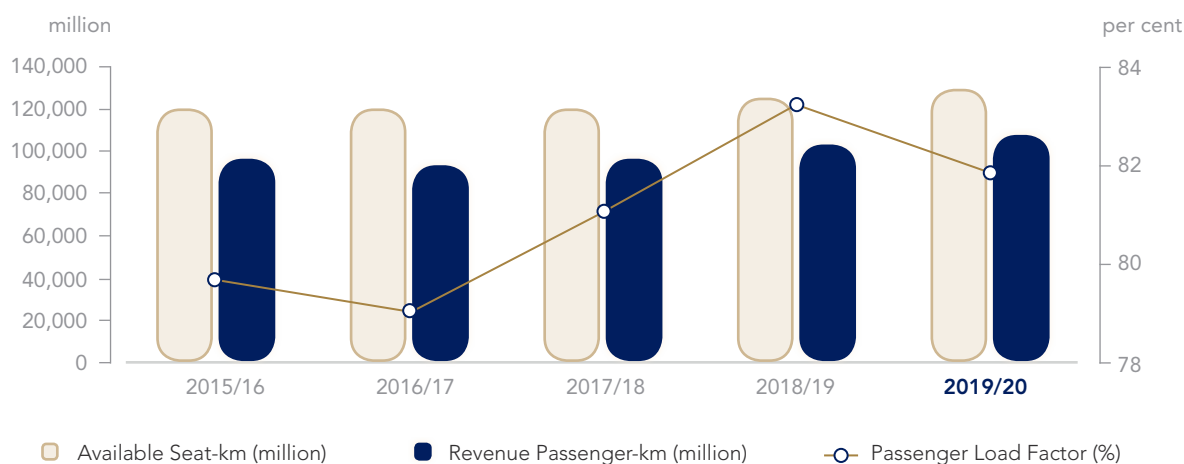
The Company's revenue fell 1.0 per cent to \$13,013 million, predominantly due to lower cargo and mail revenue. This was partly offset by higher other revenue, mainly attributable to compensation received from suppliers in relation to various operational issues, higher revenue from lease of aircraft and recognition of a partnership bonus.

OPERATING PERFORMANCE – PASSENGER SEGMENT

	2019/20	2018/19	% Change	
Passengers carried (thousand)	20,906	20,738	+ 0.8	
Revenue passenger-km (million)	104,134.6	102,571.9	+ 1.5	
Available seat-km (million)	127,165.8	123,486.2	+ 3.0	
Passenger load factor (%)	81.9	83.1	- 1.2	points
Passenger yield (¢/pkm)	10.0	10.1	- 1.0	
Revenue per available seat-km (¢/ask)	8.2	8.4	- 2.4	
Passenger unit cost (¢/ask)	8.0	8.3	- 3.6	

For the year, the Company's passenger carriage growth of 1.5 per cent reflected strong growth in the first nine months of the financial year (+9.0 per cent), and the collapse in carriage (-20.8 per cent) in the fourth quarter due to the Covid-19 outbreak. It fell short of the 3.0 per cent capacity growth contributed largely by the launch of ultra-long haul routes to the Americas and its connecting routes. This led to a 1.2-percentage point reduction in passenger load factor to 81.9 per cent. In addition to the lower passenger load factor, adverse currency movements and weaker yields resulted in revenue per available seat-km declining 2.4 per cent.

Capacity, Passenger Traffic and Load Factor



PERFORMANCE OF THE COMPANY (CONTINUED)

OPERATING PERFORMANCE – PASSENGER SEGMENT (CONTINUED)

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

	By Route Region ^{R2} (2019/20 against 2018/19)					
	Passengers Carried Change (thousand)		Revenue Passenger-KM % Change		Available Seat-KM % Change	
East Asia	-	31	+	0.1	+	4.5
Americas	+	35	+	7.5	+	9.5
Europe	-	24	-	1.7	-	1.3
South West Pacific	+	4	-	0.4	-	0.5
West Asia and Africa	+	184	+	9.4	+	8.1
Systemwide	+	168	+	1.5	+	3.0

Passenger load factor by route region was as follows:

	Passenger Load Factor (%)			
	2019/20	2018/19	% Change points	
East Asia	78.8	82.2	-	3.4
Americas	81.7	83.2	-	1.5
Europe	82.9	83.1	-	0.2
South West Pacific	84.7	84.6	+	0.1
West Asia and Africa	82.4	81.4	+	1.0
Systemwide	81.9	83.1	-	1.2

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

	By Route Region (\$ million)				By Area of Original Sale ^{R3} (\$ million)			
	2019/20	2018/19	%	Change	2019/20	2018/19	%	Change
East Asia	3,330.5	3,404.1	-	2.2	5,356.7	5,483.5	-	2.3
Americas	1,654.6	1,548.2	+	6.9	844.5	748.7	+	12.8
Europe	2,318.4	2,425.4	-	4.4	1,716.0	1,774.4	-	3.3
South West Pacific	2,039.3	2,050.7	-	0.6	1,716.8	1,711.2	+	0.3
West Asia and Africa	1,049.5	955.9	+	9.8	758.3	666.5	+	13.8
Systemwide	10,392.3	10,384.3	+	0.1	10,392.3	10,384.3	+	0.1

The Company's passenger flown revenue increased in 2019/20, as a result of:

	\$ million		\$ million	
1.5% increase in passenger traffic:			+	158.2
1.0% decrease in passenger yield:				
Foreign exchange	-	133.5		
Lower local currency yields	-	119.2		
Change in passenger mix	+	102.5	-	150.2
Increase in passenger revenue			+	8.0

^{R2} Each route region comprises routes originating from Singapore to final destinations in countries and territories within the region concerned and vice versa. For example, Singapore-Hong Kong-San Francisco-Hong Kong-Singapore route is classified under Americas region. East Asia covers Brunei, Hong Kong SAR, Indonesia, Japan, South Korea, Malaysia, People's Republic of China, Myanmar, Philippines, Thailand, Taiwan and Vietnam. Americas denotes USA. Europe consists of Denmark, England, France, Germany, Italy, Russia, Spain, Sweden, Switzerland, The Netherlands and Turkey. South West Pacific covers Australia and New Zealand. West Asia and Africa are made up of Bangladesh, India, Maldives, South Africa, Sri Lanka and United Arab Emirates.

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



FINANCIAL REVIEW

PERFORMANCE OF THE COMPANY (CONTINUED)

OPERATING PERFORMANCE – PASSENGER SEGMENT (CONTINUED)

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

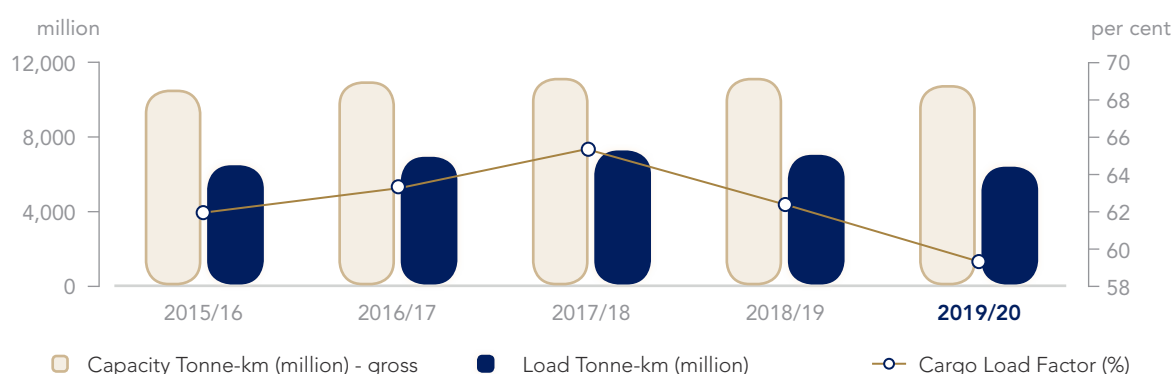
	\$ million
1.0%-point change in passenger load factor, if yield and seat capacity remain constant	126.9
1.0% change in passenger yield, if passenger carriage remains constant	103.9

OPERATING PERFORMANCE – CARGO SEGMENT

	2019/20	2018/19	% Change
Cargo and mail carried (million kg)	1,205.0	1,298.3	- 7.2
Cargo load tonne-km (million)	6,389.2	7,006.5	- 8.8
Cargo capacity tonne-km (million) - gross	10,778.2	11,210.4	- 3.9
Cargo load factor (%)	59.3	62.5	- 3.2 points
Cargo yield (¢/ltk)	30.5	31.7	- 3.8
Cargo unit cost (¢/ask)	16.4	16.5	- 0.6

Cargo demand was adversely impacted by several global events over the course of the year, mainly the international trade tensions, export manufacturing slowdown in key economies, and industry overcapacity on several key trade lanes. In addition, the intensification of the Covid-19 outbreak in China over the Chinese New Year period triggered an extended factory shutdown and reduced cargo loads significantly. Consequently, loads carried fell by 8.8 per cent, outpacing the decrease in cargo capacity of 3.9 per cent, resulting in cargo load factor declining 3.2 percentage points year-on-year.

Capacity, Loads Carried and Load Factor



The softer overall cargo demand and dampened outlook placed downward pressure on yields for most of the year, causing cargo yield to fall 3.8 per cent against last year.

PERFORMANCE OF THE COMPANY (CONTINUED)

OPERATING PERFORMANCE – CARGO SEGMENT (CONTINUED)

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

	By Route Region (2019/20 against 2018/19)					
	Loads Carried KG Change (million)		Load Tonne-KM % Change		Capacity Tonne-KM % Change	
East Asia	-	25.5	-	2.8	+	1.1
Americas	-	22.8	-	17.9	-	16.7
Europe	-	22.0	-	11.8	-	6.4
South West Pacific	-	17.7	-	7.4	+	1.2
West Asia and Africa	-	5.3	-	1.6	+	1.8
Systemwide	-	93.3	-	8.8	-	3.9

Cargo load factor by route region was as follows:

	Cargo Load Factor (%)		
	2019/20	2018/19	% Change points
East Asia	53.4	55.6	- 2.2
Americas	60.4	61.2	- 0.8
Europe	69.6	73.8	- 4.2
South West Pacific	52.5	57.4	- 4.9
West Asia and Africa	68.4	70.7	- 2.3
Systemwide	59.3	62.5	- 3.2

The Company's cargo and mail revenue decreased in 2019/20, as a result of:

	\$ million	\$ million
8.8% decrease in loads carried:	-	195.7
3.8% decrease in cargo yield:		
Lower local currency yields	- 56.2	
Foreign exchange	- 17.2	- 73.4
Decrease in cargo and mail revenue	-	269.1

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

	\$ million
1.0%-point change in cargo load factor, if yield and capacity remain constant	32.9
1.0% change in cargo yield, if loads carried remains constant	19.5

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

	By Route Region (\$ million)				By Area of Original Sale ^{R4} (\$ million)			
	2019/20	2018/19	%	Change	2019/20	2018/19	%	Change
East Asia	608.5	622.5	-	2.2	1,227.0	1,386.0	-	11.5
Americas	281.6	386.5	-	27.1	83.4	102.3	-	18.5
Europe	449.9	540.4	-	16.7	337.2	403.2	-	16.4
South West Pacific	397.9	445.0	-	10.6	162.7	174.1	-	6.5
West Asia and Africa	213.5	226.1	-	5.6	141.1	154.9	-	8.9
Systemwide	1,951.4	2,220.5	-	12.1	1,951.4	2,220.5	-	12.1

^{R4} Each area of original sale comprises countries and territories within a region from which the sale is made.



FINANCIAL REVIEW

PERFORMANCE OF THE COMPANY (CONTINUED)

EXPENDITURE

The Company's expenditure increased 4.6 per cent to \$12,719 million in 2019/20.

	2019/20		2018/19		% Change	
	\$ million	%	\$ million	%		
Fuel costs	3,819.8	30.0	3,763.1	31.0	+	1.5
Fuel hedging ineffectiveness	587.5	4.6	-	-		n.m.
Staff costs	1,756.9	13.8	1,968.3	16.2	-	10.7
Depreciation	1,710.7	13.5	1,102.3	9.1	+	55.2
Rentals on leased aircraft	76.6	0.6	445.0	3.7	-	82.8
Handling charges	1,163.3	9.1	1,182.9	9.7	-	1.7
Aircraft maintenance and overhaul costs	624.5	4.9	723.6	5.9	-	13.7
In-flight meals and other passenger costs	668.4	5.3	668.7	5.5		-
Airport and overflying charges	698.8	5.5	688.1	5.7	+	1.6
Sales costs	698.4	5.5	695.4	5.7	+	0.4
Communications and information technology costs	124.3	1.0	119.7	1.0	+	3.8
Other costs	789.3	6.2	796.6	6.5	-	0.9
Total	12,718.5	100.0	12,153.7	100.0	+	4.6

n.m. not meaningful

A breakdown of fuel costs is shown below:

	2019/20 \$ million	2018/19 \$ million	Change \$ million	
Fuel costs (before hedging)	3,714.8	4,094.6	-	379.8
Fuel hedging loss/(gain)	105.0	(331.5)	+	436.5
	3,819.8	3,763.1	+	56.7

Expenditure on fuel before hedging was \$380 million lower because of:

	\$ million
9.3% decrease in weighted average fuel price from 87.9 USD/BBL to 79.7 USD/BBL	- 379.5
0.6% decrease in volume uplifted from 34.3 million BBL to 34.1 million BBL	- 23.8
Stronger USD against SGD	+ 23.5
	- 379.8

Fuel hedging ineffectiveness of \$587 million was attributable to mark-to-market losses on surplus hedges arising from the expected capacity cuts in FY2020/21, which led to lower forecast fuel consumption requirements than under planned normal operating conditions.

Staff costs were \$211 million (-10.7 per cent) lower year-on-year, largely attributable to government grants received under the Singapore Budget 2020 to aid businesses affected by the Covid-19 outbreak.

Depreciation rose \$608 million (+55.2 per cent), mainly due to addition of new aircraft and the adoption of IFRS 16, under which depreciation of ROU assets was recognised in place of lease rental expense.

Rentals on leased aircraft were \$368 million (-82.8 per cent) lower than last year, largely due to fewer aircraft on operating lease and the aforementioned adoption of IFRS 16.

Aircraft maintenance and overhaul costs fell by \$99 million (-13.7 per cent) primarily on lower provision for redelivery check costs from the expiry of aircraft leases.

PERFORMANCE OF THE COMPANY (CONTINUED)

FUEL PRODUCTIVITY AND SENSITIVITY ANALYSIS

Fuel productivity of the passenger fleet, measured by load tonne-km per barrel (ltk/BBL), decreased 1.1 per cent from 451ltk/BBL to 446ltk/BBL, mainly due to the decrease in load factor when air travel demand collapsed amidst the Covid-19 outbreak.

A change in fuel productivity of 1.0 per cent would have an impact on the Company's annual fuel costs before hedging by about \$27 million, before accounting for changes in fuel price, USD exchange rate and flying operations.

A change in the price of fuel before hedging of one US dollar per barrel affects the Company's annual fuel cost for passenger fleet by about \$45 million, before accounting for USD exchange rate movements, and changes in volume of fuel consumed.

NET FINANCE CHARGES

Net finance charges rose \$67 million, mainly due to additional borrowings to finance capital expenditure, and interest expense recognised on lease liabilities with the adoption of IFRS 16. The Company drew down \$3,981 million of bank loans during the fiscal year, at rates ranging from 0.34 per cent to 2.14 per cent per annum.

DISPOSAL OF AIRCRAFT, SPARES AND SPARE ENGINES

The surplus on disposal of \$7 million was primarily attributable to gain on sale of three spare engines.

DIVIDENDS FROM SUBSIDIARY AND ASSOCIATED COMPANIES

Dividends from subsidiary and associated companies were \$72 million lower than last year mainly due to absence of dividends received last year from Singapore Aviation and General Insurance Company and SIA Cargo, and lower dividends from SIA Engineering Company.

TAXATION

Tax credit of \$7 million was recognised, compared to tax expense of \$160 million last year, due to the swing from profit before taxation to a loss this year.

Fuel Productivity of Passenger Fleet



IMPAIRMENT OF INVESTMENT IN ASSOCIATED COMPANIES

The Company recorded impairment losses on investments in associated companies Virgin Australia Holdings ("VAH") (\$344 million) and Vistara (\$232 million) in the 2019/20 financial year.

VAH has been loss-making, and the Covid-19 pandemic has a significant impact on VAH operations. On 31 March 2020, VAH announced that it had requested for financial support from the Australian Government. Subsequently, on 21 April 2020, VAH announced that it had entered voluntary administration. An impairment loss of \$344 million was recognised by the Company to write down the cost of investment in VAH to zero.

Investment in Vistara was written down to its estimated recoverable amount as the airline has been loss-making during the year, with this trend expected to persist given the Covid-19 situation, in addition to the hefty operating commitments from its expansion efforts.



FINANCIAL REVIEW

PERFORMANCE OF THE COMPANY (CONTINUED)

STAFF STRENGTH AND PRODUCTIVITY

The Company's staff strength as at 31 March 2020 was 17,204, an increase of 888 over the previous year. The distribution of employee strength by category and location is as follows:

	31 March		
	2020	2019	% Change
Category			
Senior staff (executives and higher ranking officers)	2,072	1,849	+ 12.1
Technical crew	2,369	2,261	+ 4.8
Cabin crew	9,266	8,744	+ 6.0
Other ground staff	3,497	3,462	+ 1.0
	17,204	16,316	+ 5.4
Location			
Singapore	14,704	13,874	+ 6.0
East Asia	1,070	1,037	+ 3.2
Europe	533	514	+ 3.7
South West Pacific	391	391	-
West Asia and Africa	340	341	- 0.3
Americas	166	159	+ 4.4
	17,204	16,316	+ 5.4

The Company's average staff productivity ratios^{R5} are shown below:

	2019/20	2018/19	% Change
Capacity per employee (tonne-km)	1,416,772	1,486,207	- 4.7
Revenue per employee (\$)	776,414	824,450	- 5.8
Value added per employee (\$)	201,348	258,634	- 22.1

PERFORMANCE OF THE SUBSIDIARY COMPANIES

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

SIA ENGINEERING

	2019/20 \$ million	2018/19 \$ million	% Change
Total revenue	994.1	1,020.9	- 2.6
Total expenditure	926.4	964.1	- 3.9
Operating profit	67.7	56.8	+ 19.2
Net profit	193.8	160.9	+ 20.4

SIAEC Group operating profit for the year ended 31 March 2020 was \$68 million; \$11 million (+19.2 per cent) higher year-on-year. The strong performance recorded in the first nine months of the financial year continued into the last quarter until significant flight cancellations by airline customers adversely affected the line maintenance business. The improvement in operating profit was supported by SIAEC's Transformation efforts, which have delivered improvements in manpower utilisation and reduced costs.

^{R5} The Company's staff productivity ratios were computed based on average staff strength of 16,760 in 2019/20 (2018/19: 15,943).

PERFORMANCE OF THE SUBSIDIARY COMPANIES (CONTINUED)

SIA ENGINEERING (CONTINUED)

Revenue at \$994 million was \$27 million (-2.6 per cent) lower, mainly due to a \$24 million decrease in airframe and line maintenance revenue. Expenditure decreased \$38 million (-3.9 per cent) to \$926 million. In line with the lower workload, material and subcontract services costs decreased. In addition, staff costs and departmental costs also decreased, partly due to favourable exchange rate movements. The reduction in staff costs was primarily attributed to the Singapore government's support schemes.

Share of profits from associated and joint venture companies was \$128 million, \$14 million (+12.3 per cent) higher year-on-year, with \$18 million higher contribution from the engine and component segment and \$4 million lower contribution from the airframe and line maintenance segment. The improvement from the engine and component segment was mainly due to the writeback of tax provisions, as compared to a one-time tax charge in the previous year.

Net profit increased \$33 million (+20.4 per cent) to \$194 million for the year ended 31 March 2020, mainly due to higher operating profit and increase in share of profits of associated and joint venture companies.

Basic earnings per share were 17.3 cents for the current financial year.

SILKAIR

	2019/20 \$ million	2018/19 \$ million	% Change	
Total revenue	906.0	1,030.9	-	12.1
Total expenditure	1,018.3	1,015.7	+	0.3
Operating (loss)/profit	(112.3)	15.2		n.m.
Loss after taxation	(103.8)	(52.3)	-	98.5

SilkAir's revenue decreased by \$125 million (-12.1 per cent) to \$906 million, due to lower passenger flown revenue on an 8.3 per cent reduction in passenger carriage and 1.8 per cent decline in yield. Load factor rose 1.1 percentage points to 77.3 per cent, as the decline in passenger carriage was lower than capacity reduction (-9.7 per cent). Revenue per available seat kilometer ("RASK") contracted 1.2 per cent to 8.2¢/ask.

Operating expenses were 0.3 per cent higher, primarily due to fuel hedging ineffectiveness loss (\$53 million) offset by reduction in fuel cost (\$11 million) and ex-fuel expenditure (\$39 million). Reduction in ex-fuel expenditure is attributable to capacity reduction. As a result, SilkAir incurred an operating loss of \$112 million for the fiscal year.

Loss after taxation was \$104 million, after accounting for finance charges.

SCOOT

	2019/20 \$ million	2018/19 \$ million	% Change	
Total revenue	1,680.6	1,780.1	-	5.6
Total expenditure	1,878.3	1,795.5	+	4.6
Operating loss	(197.7)	(15.4)		n.m.
Loss after taxation	(251.9)	(40.8)		n.m.

Scout's operating loss widened by \$183 million from last year, due to revenue contraction of \$100 million and \$83 million rise in expenditure.

For the full year, revenue decreased 5.6 per cent, attributable to passenger carriage and yield coming in 2.2 per cent and 1.8 per cent lower respectively. The weaker performance stemmed largely from a 2.7 per cent reduction in capacity, as the Covid-19 pandemic in the fourth quarter triggered international travel bans on key markets, erasing the slight revenue growth registered in the first nine months of the financial year.

Expenditure increased \$83 million (+4.6 per cent) mainly due to fuel hedging ineffectiveness (\$70 million), as the volume of fuel hedged exceeded the carrier's forecast FY2020/21 consumption following the significant capacity cuts. Unit cost rose 3.8 per cent against last year to 5.4¢/ask.

RASK fell 2.0 per cent predominantly due to the decline in yield, partially offset by a marginal 0.4 percentage point increase in passenger load factor to 85.7 per cent.



AWARDS

Singapore Airlines is the world's most awarded airline. These are some of the awards that were won in FY2019/20:

• 2019 •

Q1



APR

Zaker (China)
3rd Premium Travel Awards
Top 10 Consumers Preferred Airlines of Year 2018-2019

Business Traveller Middle East Award
Best Asian Airline Serving the Middle East (18th consecutive year)
Airline with the Best Premium Economy class

TripAdvisor Travellers' Choice 2019 Awards (the United States)
Best Airline in the World (2nd year)
Best Major Airline – Asia
Best Airline – Asia
Best Economy – World
Best Economy – Asia



MAY

Condé Nast Traveler China The Gold List
Best Airline

Randstad Award (Singapore)
Singapore Airlines awarded title of Singapore's most attractive employer (4th time)

Changi Airline Awards
Top 5 Airlines and Airline Groups by Passenger Carriage
Top 5 Airlines and Airline Groups by Cargo Carriage
Top 5 Airlines by Absolute Growth



JUN

Skytrax World Airline Awards 2019 (the United Kingdom)
Best Airline in Asia
World's Best Cabin Crew
World's Best First Class
World's Best First Class Seat
Best First Class Lounge in Asia
Best Business Class Seat in Asia
Best Premium Economy Class in Asia

Next Magazine (Hong Kong SAR, China) Top Service Awards
Top Airline

Hong Kong Economic Journal SME Partner Awards for Excellence 2019
Distinguished Airline

Q2



JUL

Handelszeitung (Switzerland)
Best Airline 2019

Travel & Leisure Magazine (the United States)
World's Best International Airline (24th consecutive year)

Business Traveller (Germany)
Best Airline for Business Travellers Worldwide (19th time)

SmartTravelAsia.Com (Hong Kong SAR, China)
Favourite Airline Poll Results, 2019
Ranked No 1 in Top 25 Airlines (Worldwide)



SEP

Business Traveltip Magazine (Switzerland)
Swiss Business Travel Award 2019
Best Airline for Long-Haul Flights (5th time)

Business Traveller (Asia Pacific) 2019
Best Airline (28th consecutive year)
Best Asia-Pacific Airline
Best Airline First Class
Best Airline Premium Economy Class
Best Airline Economy Class
Best Frequent Flyer Programme

APEX Award (the United States)
Five Star Global Airline 2020

Q3



Danish Travel Awards (Denmark)
Best Intercontinental Airline

City Traveller Magazine (China)
The Best Airline in 2019 (3rd time)

Business Traveller (based in the United Kingdom) 2019
Best Asian Airline
Best Economy Class
Best Cabin Staff

Business Traveller USA 2019
Best Overall Airline in the World (29th time)

Travel Inside Magazine (Switzerland)
Best Airline for Long-Haul flights

Travel Weekly Asia Readers' Choice Awards (Singapore)
Best Airline (Asia Pacific) (3rd time)
Best Airline Service Excellence (5th time)

World Travel Awards 2019 (the United Kingdom)
Asia's Leading Airline 2019
Asia's Leading Airline – First Class

Robb Report China
12th Annual "Best of the Best" Awards
Best Airline (8th consecutive year)

Condé Nast Traveler (the United States)
2019 Readers' Choice Awards
Best Airline in the World (30 out of 32 years)



Prime Traveller magazine (Russia)
Prime Traveller Awards
Best Airline (2nd time)

Telegraph Travel Awards (the United Kingdom)
(Daily Telegraph & Sunday Telegraph Newspapers)
Best Long-Haul Airline (6th time)

Travel Magazine (Belgium)
Best Carrier for Long-Haul Airline Offline



APEX 2020 Regional Passenger Choice Award (the United States)
Five Star Global Official Airline
(Best Seat Comfort and Best In-Flight Entertainment for the Eastern Asia Region)

SPRING (Japan)
11th JCSI (Japanese Customer Satisfaction Index) 2019 survey
SIA ranked 1st in international airlines category (8th year)

Condé Nast Traveller (India)
India Readers' Travel Awards 2019
Favourite Airline

Travel + Leisure (India)
Best International Airline in the World

Business Traveller (China)
Best Airline in the World (14th year)
Best Asian Airline serving China
Best Airline First Class
Best Airline Business Class

Airline Economics (Hong Kong)
Asia Pacific Airline of the Year

Global Times Newspaper (China)
SIA awarded as one of six most welcomed foreign airlines by Chinese Families

New Voyage magazine (China)
New Voyage Travel awards
Annual Innovation Experience Airline

The BrandLaureate Awards (Malaysia)
Brand of the Year Award – Premium Airline

Indonesia Travel and Tourism Award 2019/20
Indonesia's Leading International Airline

• 2020 •

Q4



Forbes Korea Best Brand Awards 2020
Best International Airline
(7th consecutive year)

Wanderlust Travel Award (the United Kingdom)
Top Worldwide Airline

Telegraph 'Ultras' Travel Awards (the United Kingdom)
Best Business Class

DesignAir (United Kingdom)
Best Design Airline
Best Design Airline – Asia

Fortune Magazine (the United States)
Top 50 World's Most Admired Companies (Ranked 28)
Highest ranked non-United States company in the list

Hurun Report 2020 (China)
"Best of the Best" ranking
Best International First & Business Class Award (9th consecutive year)

National Geographic Traveller (China)
One of the 10 "Golden Airlines of the Year 2019"



Business Traveller 2019 (Russia)
Best Business Class on Long-Haul Flights

DestinAsian (Asia's leading luxury travel and lifestyle magazine – Indonesia)
Readers' Choice Awards (15th time running)
Best Airline – Overall (15th consecutive year)
Best Airline Premium Class
Best Airline in Economy Class
Best In-flight Entertainment
Best Frequent Flyer Programme - KrisFlyer

Skyway Service Award (Russia)
Best Business Class International Flights
Best Duty Free on Board

Roy Morgan Research 2019 (Australia)
International Airline of the Year (6th time)



TravelPlus 2019 (the United Kingdom)
Airline Amenity Bag Awards
Kids' Kit – Children under 6
Sustainable Kit – Singapore Airlines
Children's Amenities
First Class Amenity Kit – Male
First Class Amenity Kit – Female



STATEMENT ON RISK MANAGEMENT

1. SIA GROUP ENTERPRISE RISK MANAGEMENT FRAMEWORK

Since 2002, a formalised Risk Management Framework has been implemented across the SIA Group under which risks are identified, evaluated and controlled on a coordinated and integrated basis. Details of the key elements of this Framework can be found on the Singapore Airlines website¹.

2. RISK APPETITE

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

(i) Strategic

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

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

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

(ii) Safety

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

(iii) Operational

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

(iv) Information Technology

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

(v) Environmental

The Group strives to protect the environment while providing air transportation services of the highest quality. Various programmes are in place to drive and implement sustainable practices across our operations to manage issues such as carbon emissions, waste, noise, and the consumption of energy and resources. We continually explore new sustainable practices in all areas of our business and operations and invest to maintain a modern and fuel-efficient fleet.

(vi) Financial

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

(vii) Regulatory

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

¹ <https://www.singaporeair.com/saar5/pdf/corporate-info/riskmanagementframework.pdf>

3. HIGHLIGHTS OF KEY RISK MANAGEMENT ACTIVITIES

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

(a) Ongoing Review and Simulation Test Exercises on Crisis Management Plans and Business Continuity Plans

Tests on business continuity plans and other integrated response plans were conducted throughout the year and independently verified to ensure the efficacy of the Group's resilience towards business disruptions from unplanned events. Internally, taskforces for specific scenarios are in place and convene annually to assess the Group's preparedness in managing potential large-scale disruptions. In particular, regular reviews were conducted for scenarios involving airport disruptions and a major outbreak of highly infectious diseases, which have the potential to cause significant disruptions to critical operations. Separately, external full-scale multi-agency airport emergency exercises provided participants with realistic scenarios to validate the response plans and capabilities in crisis management and an opportunity to improve synergy, including the management of communications.

(b) Review of Cybersecurity Risks

Regular reviews on cybersecurity risk exposures and close monitoring of trends were carried out to ensure the Group's nimbleness in adapting and strengthening controls to address the evolving IT security threats and organised cybercrimes. Regular cyber incident and disaster recovery drills were conducted to assess the Group's response readiness to a cyber-attack and the recovery capabilities for critical IT systems. Continuous monitoring tools are also adopted by SIA Information Security to assess potential vulnerabilities and identify areas to further strengthen the Group's cybersecurity infrastructure.

(c) Review of Enterprise Risk Management Framework

The SIA Group Enterprise Risk Management Framework is continually reviewed to ensure the Group's governance and risk management practices remain relevant and effective, while these meet regulatory compliance requirements at the same time. Aside from ensuring process efficiency and effectiveness, a key area of focus in enhancing risk management for the Group is inculcating a risk-aware culture across all levels of employees and administering programmes to facilitate ongoing review of risks.

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

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

(e) Review of Covid-19 Pandemic Outbreak

The Covid-19 pandemic outbreak has caused unprecedented challenges to the airline industry, and the SIA Group has not been spared. The Group began monitoring the situation closely at the onset of the outbreak so that measures are promptly implemented to safeguard the safety of employees and passengers, and to ensure business operations remain sustainable through the identification of emerging risks. Some of the key measures undertaken include (i) the activation of SIA Group's pandemic response plan and business continuity plans, and making frequent adjustments to the Group's operations to comply with the tighter measures implemented by governments to curb the transmission of the virus, (ii) significant reduction in capacity, given the growing border controls and the collapse of air travel demand, and (iii) active steps to manage liquidity and protect the jobs of employees. Amidst the uncertainty that lies ahead, SIA Group is also taking steps to ensure the Group's readiness to seize opportunities at the first signs of recovery.

(f) Written Assurances on Risk Management Processes

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



CORPORATE GOVERNANCE REPORT

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

This Report sets out the Company's corporate governance processes, with specific reference to the principles and provisions of the revised Code of Corporate Governance issued by the Ministry of Finance in Singapore in August 2018 (the "Code"). The Code is applicable to this Report for the financial year ended 31 March 2020.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS (PRINCIPLE 1)

Board's Role

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

In addition to the above matters, material items which require Board approval include the quarterly, half-year and full-year financial results; proposed dividends; the general remuneration framework for Relevant Key Management Personnel¹; risk appetite statements in relation to various key areas concerning the Company and the Group; etc.

Delegation by the Board

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

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

Board Meetings

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

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

A record of the Directors' attendance at Board and Board committee meetings during the financial year is set out on page 86. Directors who are unable to attend a Board meeting or Board committee meeting are provided with the agenda and papers in advance, and can discuss issues relating to the matters to be raised at the meeting with other Board members and/or Management.

¹ Relevant Key Management Personnel are employees holding the rank of Executive Vice President and above. For FY 2019/20, they comprised the CEO and two Executive Vice Presidents.

Access to Information

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

Board Directors have separate and independent access to Senior Management² and the Company Secretary at all times. The Company Secretary attends the Board meetings and prepares minutes of the Board proceedings. He assists with the proper functioning of the Board, including compliance with Company's Constitution, the Companies Act, the Securities and Futures Act and the SGX-ST Listing Manual. He ensures that all material information is provided to the Board in a timely manner. The Company Secretary is legally trained and experienced in company secretarial practices. The appointment and removal of the Company Secretary is subject to the Board's approval.

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

Newly Appointed Directors

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

BOARD COMPOSITION AND GUIDANCE (PRINCIPLE 2)

Board Size and Composition

The Board currently comprises nine Directors as follows:

Name of Director	Position held on the Board	Date of first appointment to the Board	Date of last re-election as Director	Nature of Appointment
Peter Seah Lim Huat	Chairman	1 September 2015	29 July 2019	Non-executive/Independent
Goh Choon Phong	Director	1 October 2010	27 July 2018	Executive/Non-Independent
Hsieh Tsun-yan	Director	1 September 2012	27 July 2018	Non-executive/Independent
Gautam Banerjee	Director	1 January 2013	27 July 2018	Non-executive/Independent
Lee Kim Shin	Director	1 September 2016	29 July 2019	Non-executive/Independent
Dominic Ho Chiu Fai	Director	1 May 2017	29 July 2019	Non-executive/Independent
Simon Cheong Sae Peng	Director	1 June 2017	28 July 2017	Non-executive/Independent
David John Gledhill	Director	1 September 2018	29 July 2019	Non-executive/Independent
Goh Swee Chen	Director	1 January 2019	29 July 2019	Non-executive/Independent

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

² Senior Management are employees holding the rank of Senior Vice President and above. For FY 2019/20, they comprised the CEO, two Executive Vice Presidents and 14 Senior Vice Presidents.



CORPORATE GOVERNANCE REPORT

Board Diversity Policy

The Board is committed towards building diversity amongst its members, taking initiatives to select and appoint suitably qualified persons as Directors regardless of gender, age, ethnicity, religion or other dimensions of diversity. The Directors come from diverse backgrounds with varied expertise in finance, legal, technology, business, marketing and management fields. Their profiles are found on pages 18 to 19 and 87 to 91. The main objective of the Board's stance on diversity is to continue to maintain the appropriate balance of perspectives, experience and expertise on the Board to support the long term success of Singapore Airlines.

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

Board Independence

The Board, taking into account the views of the Nominating Committee, assesses the independence of each Director annually in accordance with the principles of the Code. There is a strong independent element in the Board, with the Board considering eight out of nine Directors to be independent from Management and the Company's substantial shareholder, Temasek Holdings (Private) Limited ("Temasek"). The sole non-independent Director is Mr Goh Choon Phong, who is the Chief Executive Officer ("CEO") of the Company. Currently, no Director has served on the Board beyond nine years from the date of his first appointment.

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (PRINCIPLE 3)

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

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

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

BOARD MEMBERSHIP (PRINCIPLE 4)

BOARD PERFORMANCE (PRINCIPLE 5)

Board Committees

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

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

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

(A) Board Executive Committee ("ExCo")

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

(B) Board Audit Committee ("AC")

The AC comprises Mr Gautam Banerjee (Chairman), Mr Hsieh Tsun-yan, Mr Dominic Ho and Ms Goh Swee Chen. All the AC members are independent Directors. The role and responsibilities of the AC under its Charter are described in the section on "Audit Committee" (Principle 10) as shown on pages 81 to 84.

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

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

The BSRC also oversees the risk governance framework and risk management system, including reviewing key risks and controls put in place by Management. This is further described in the section on "Risk Management and Internal Controls" (Principle 9) as shown on page 81.

(D) Board Nominating Committee ("NC")

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



CORPORATE GOVERNANCE REPORT

(D1) Appointment and Re-election of Directors

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

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

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

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

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

(D2) Evaluation of Board Performance

For FY 2019/20, the NC had commissioned a formal evaluation of the Board and its board committees. The process involved sending questionnaires for feedback from the Directors. The evaluation confirmed that the Board and its board committees were generally functioning effectively and performing well, within a highly competitive and challenging environment. The performance of individual Directors was reviewed by the Chairman and the NC, while the Chairman's performance was reviewed by the rest of the Board.

(D3) Directors' Commitment

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

(D4) Directors' Training

The NC's Charter also includes the responsibility for reviewing the training and professional development programmes for the Board. Board meetings may include presentations by senior executives, external experts and industry leaders on strategic issues relating to specific business areas. For FY 2019/20, Board members attended briefings on the challenges facing the airline industry, technology relevant to the Group's transformation strategy as well as other related topics. A Director without prior experience as a director of an issuer listed on SGX-ST is also required to attend training programmes conducted by the Singapore Institute of Directors on the roles and responsibilities of directors, as prescribed by SGX-ST.

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

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

In accordance with its responsibilities and duties under its Charter, the BCIRC reviews and recommends for the Board's approval the general framework of remuneration for the Board and Relevant Key Management Personnel. The BCIRC also recommends the specific remuneration packages for each Relevant Key Management Personnel and administers the Company's Profit Sharing Bonus ("PSB"), EVA-based Incentive Plan ("EBIP"), Performance Share Plan ("PSP"), Restricted Share Plan ("RSP") and Transformation Share Award ("TSA") for Senior Management. The award of shares to Senior Management is based on organisational and individual performance. The BCIRC retains and may exercise discretion when determining the link amongst remuneration, performance and value creation. Professional advice is sought by the BCIRC, as it deems necessary, in the development and execution of the remuneration plan for the Company's Senior Management. For FY 2019/20, Carrots Consulting Pte Ltd was engaged as a remuneration consultant to provide professional advice on human resource matters. The principal consultant providing such services was Mr Johan Grundlingh. Carrots Consulting only provides remuneration consulting services to the Company, and has no other relationship with the Company.

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

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

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

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

Under its Charter, the CETSC provides advice and guidance to enhance the customer experience of the Company and the Group by focusing on the development of products, policies, processes and people skills. Digitalization, technology and innovation may also be explored to drive the customer experience enhancement. Further, the CETSC Charter was reviewed and amended in February 2020 to include the provision of advice and guidance, as well as oversight, on the overall strategic roadmap for sustainability factors and other sustainability matters of the Company and the Group.



CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (PRINCIPLE 6)

LEVEL AND MIX OF REMUNERATION (PRINCIPLE 7)

Remuneration Philosophy and Principles

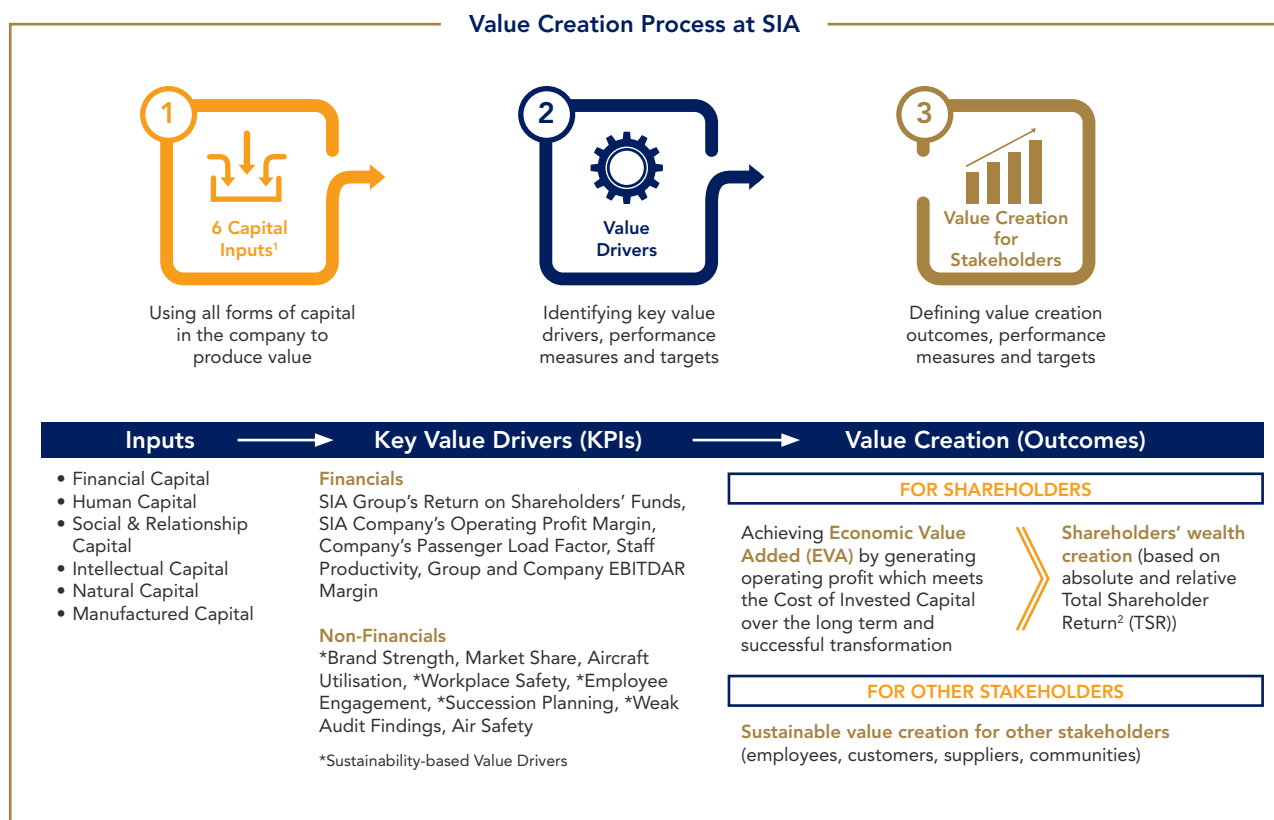
SIA's Remuneration Policies for Senior Management are based on the following principles:

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

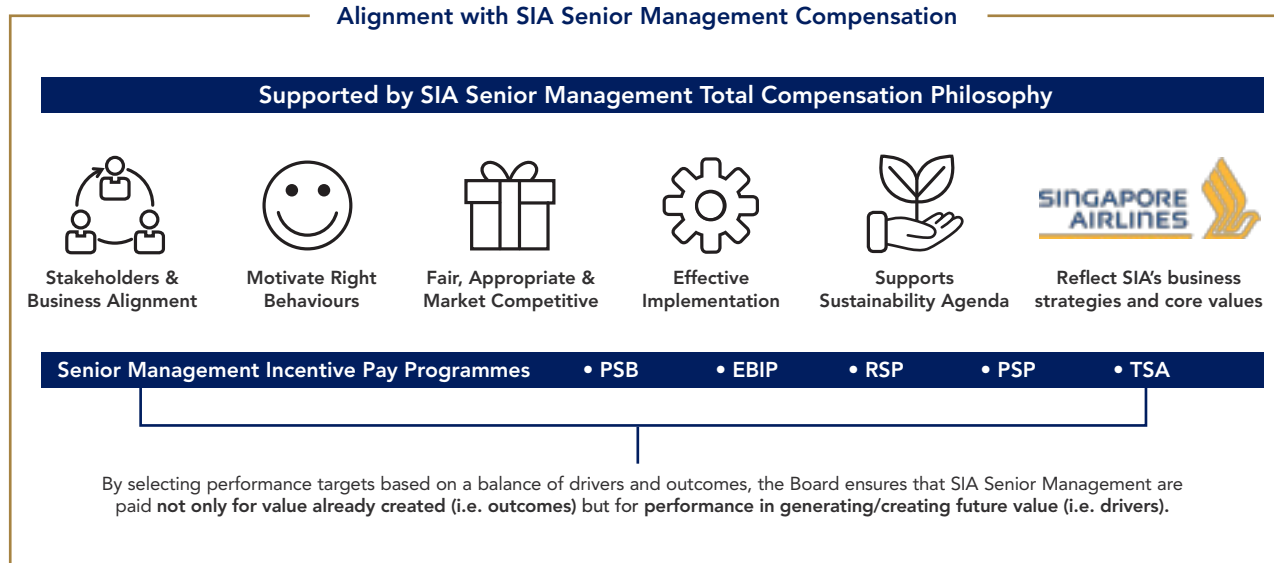
In the event of any misstatement of financial results or of misconduct resulting in financial loss to the Company as deemed by the BCIRC, the BCIRC may, in its absolute discretion, reclaim unvested incentive components of remuneration from Senior Management.

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

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



Alignment with SIA Senior Management Compensation



¹ As per the International Integrated Reporting (IR) Framework

² Includes share price change and dividend yields



CORPORATE GOVERNANCE REPORT

Remuneration Mix

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

Fixed Component for Senior Management ("Salary")

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

In line with the Company's measures to mitigate the impact of COVID-19 on the international aviation industry, Base Salary cuts were implemented for Senior Management. Base Salary cuts of 15% for CEO, 12% for Executive Vice Presidents (EVPs) and 10% for Senior Vice Presidents (SVPs) were effected from 1 March 2020, and subsequently adjusted to 30% for CEO, 25% for EVPs and 20% for SVPs from 1 April 2020.

Variable Components for Senior Management

(A) Cash Incentive Plans ("Bonuses")

This comprises the following components:

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

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

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

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

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

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

The resulting annual payout under the PSB for each incumbent was adjusted accordingly based on the BCIRC's assessment to reflect the actual individual performance level achieved in the financial year.

As part of the Company's cash preservation measures, the PSB payout will be paid in two equal instalments in July 2020 and January 2021.

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

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

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

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

Based on the BCIRC's assessment of the actual EVA performance of the Group, the EBIP funding (i.e. "Declared Basis") in respect of the reporting year was adjusted accordingly to reflect the performance level achieved and added to the opening EBIP Bank Balance. The resulting EBIP payout made in the reporting year (i.e. "Cash Paid Basis") is a percentage of the individual's closing EBIP Bank Balance. As part of the Company's cash preservation measures, the EBIP payout will be paid in two equal instalments in July 2020 and January 2021.

(B) Share Incentive Plans

This comprises the following three components:

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

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

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

The final award will cliff vest in a single tranche after completion of the performance period.

An initial award of FY 2019/20 PSP was granted during the financial year under consideration in July 2019.

Due to the impact of COVID-19, the Group has attained a reduced achievement factor which is reflective of partially meeting the pre-determined target performance level for the FY 2017/18 PSP awards granted based on the performance period from FY 2017/18 to FY 2019/20 and shares will cliff vest accordingly.



CORPORATE GOVERNANCE REPORT

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

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

Under the RSP 2014, an initial award is made in the form of rights to shares, provided performance conditions are met in future. Annual grants are made based on position level and individual performance of the key executives selected to participate in the RSP 2014. Final awards may vary between 0-150% of the initial award, depending on the extent to which targets based on Group and Company EBITDAR Margin and Group and Company Staff Productivity (with equal weightage) are met. The performance measures are selected as they are key drivers of shareholder value and are aligned to the Group and the Company business objectives. The final award is subject to extended vesting, with one-third of the final award vesting at the end of the one-year performance period, and the balance to be vested equally over the next two years.

An initial award of FY 2019/20 PSP was granted during the financial year under consideration in July 2019.

Due to the impact of COVID-19, the Group has attained a reduced achievement factor which is reflective of partially meeting the pre-determined target performance level for the FY 2019/20 RSP awards granted based on the performance period of FY 2019/20 only and shares will commence vesting accordingly. Previous final awards of RSP continued to vest during the financial year.

(B3) Transformation Share Award ("TSA")

The Transformation Share Award is a two-year share-based incentive scheme under the RSP 2014. It is established with the objective of rewarding, motivating and retaining a select group of key Senior Management staff throughout the ongoing transformation period (FY 2018/19 and FY 2019/20) and is over and above the target total compensation levels to reward for the strategic importance and difficulty of delivering successful transformation outcomes for the Group.

Under the TSA, an initial award is granted in the form of rights to shares, provided performance conditions are met in future. The final award may vary between 0-200% of the initial award, depending on the extent of achievement of the Group transformational success objectives as assessed by the BCIRC.

The final award is subject to extended vesting, with half of the final award paid out at the end of the one-year performance period, and the balance in equal tranches over the next two years. An additional 20% equity kicker is awarded upon final vesting for retention purposes.

Given the impact of COVID-19 on the Group's share price at the end of FY 2019/20, the BCIRC has assessed a Nil achievement factor and there will be no vesting of FY 2019/20 TSA, except in the case of former Executive Vice President Mr Ng Chin Hwee, as per his early retirement agreement with the Company as at 31 March 2020 where 100% of the FY 2019/20 TSA will be vested to him given his career-long contributions to SIA's transformation journey. He has taken on the CEO role at SIA Engineering Company, which is SIA's listed subsidiary.

Previous awards of TSA and deferred shares granted in earlier financial years continued to vest during the financial year.

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

The SIA Employee Share Option Plan ("ESOP") expired in 2010. Details of the PSP 2014 and RSP 2014 can be found on pages 96 to 99 of the Directors' Statement.

Share Ownership Guideline for Senior Management

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

Compensation Risk Assessment

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

Pay-for-Performance Alignment

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

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

A pay-for-performance alignment study was conducted by the appointed external remuneration consultant and reviewed by the BCIRC. From a performance standpoint, assessments from multiple perspectives were undertaken, including short term versus long term, absolute versus relative, stock market-based (e.g. share price, TSR, etc.) versus internal financial and the role of other strategic, operational and customer-related objectives, and it was concluded that there was sufficient evidence indicating pay-for-performance alignment for the Group in both absolute and relative terms, against a peer group of large listed airline companies for the six-year period from FY 2013/14 to FY 2018/19.



CORPORATE GOVERNANCE REPORT

Non-Executive Directors' Fees

As approved by the shareholders at the Annual General Meeting in July 2018, Non-Executive Directors will receive approximately 70% of the total directors' fees in cash and approximately 30% of the total directors' fees in the form of restricted shares which are governed by the terms of RSP 2014.

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

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

The Non-Executive Directors' total fees paid in FY 2019/20 amounted to \$2,150,923 [FY 2018/19: \$1,961,084] and were based on the following rates:

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

DISCLOSURE ON REMUNERATION (PRINCIPLE 8)

The Company is transitioning the disclosure of the CEO's and Key Management Personnel's total remuneration from reporting the cash incentives paid out in the reporting financial year relating to previous financial year performance (i.e. "Cash Paid Basis") to reporting the cash incentives funded in respect of the reporting financial year under consideration (i.e. "Declared Basis") to allow shareholders to better understand the alignment between pay-and-performance in respect of a particular reporting financial year. In future annual reports, the Company will only report the Declared Basis, i.e. incentives funded in respect of the reporting financial year under consideration, in the relevant annual report.

Disclosure on Directors' Remuneration

The following table shows the composition of the remuneration of the Directors for FY 2019/20.

Directors	Fees ¹			Salary \$	Bonuses \$	Shares \$	Benefits ⁵ \$	Total \$
	Cash Component \$	Share Component \$	Total Fees \$					
Peter Seah Lim Huat	518,438	222,187	740,625	-	-	-	60,270	800,895
Gautam Banerjee	151,856	65,081	216,937	-	-	-	1,292	218,229
Simon Cheong Sae Peng	127,663	54,712	182,375	-	-	-	2,644	185,019
David John Gledhill	142,913	61,249	204,162	-	-	-	1,293	205,455
Goh Swee Chen	124,206	53,231	177,437	-	-	-	6,519	183,956
Dominic Ho Chiu Fai	188,703	80,872	269,575	-	-	-	-	269,575
Hsieh Tsun-yan	134,575	57,675	192,250	-	-	-	1,134	193,384
Lee Kim Shin	117,293	50,269	167,562	-	-	-	646	168,208
Goh Choon Phong ^{6,7,8} Declared Basis	-	-	-	1,374,950 ²	1,046,967 ³	1,643,940 ⁴	157,417	4,223,274

¹ The fees paid to non-executive Directors (including the Chairman) comprise a cash component and a share component, with approximately 70% being paid in cash and 30% in the form of share awards under the SIA RSP 2014. The share component is intended to be paid to the non-executive Directors after the 2020 AGM with the actual number of shares to be awarded to be determined by reference to the volume weighted average price of a share on the SGX-ST over the 10 trading days from (and including) the day on which the shares are first quoted ex-dividend after the 2020 AGM. The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash. The share awards will consist of the grant of fully paid shares, with no performance conditions attached and no vesting periods imposed, although a share retention policy applies.

² Refers to Base Salary and Annual Wage Supplement for FY 2019/20.

³ The bonuses declared in respect of FY 2019/20 Group and individual performance include the PSB and the EVA-based Incentive Plan (EBIP) bonus funding. The EBIP Declared in respect of FY 2019/20 is added to the Opening EBIP Bank Balance (Note 7). Any negative EBIP Declared will result in an offset against the current EBIP Bank Balance. See above table for information on the PSB and EBIP Declared under the Bonuses column (on a Declared Basis).

⁴ Based on the Accounting Fair Values of RSP (\$8.91) and PSP (\$10.27) granted on a contingent basis in FY 2019/20.

⁵ Includes transport allowance, travel benefits and employer CPF contributions where relevant.

⁶ As Chief Executive Officer, Mr Goh Choon Phong does not receive any Director's fees.

⁷ The Opening EBIP Bank Balance at the beginning of FY 2019/20 was \$2,391,278 and is subject to positive or negative incentives declared on an annual basis.

⁸ Based on the previous Cash Paid Basis used for disclosure, Mr Goh Choon Phong received \$2,065,179 as bonuses paid during FY 2019/20 in respect of FY 2018/19 Group and individual performance including the PSB, the EBIP payout and any discretionary cash award payout made as assessed by the BCIRC. The EBIP payout made in the reporting year is a percentage of the individual's Closing EBIP Bank Balance for FY 2018/19. The resulting Total Remuneration is \$5,241,486 on a Cash Paid Basis for bonuses in respect of FY 2018/19 Group and individual performance.



CORPORATE GOVERNANCE REPORT

Disclosure on Relevant Key Management Personnel's Remuneration

The following table shows the composition of the remuneration of the Relevant Key Management Personnel (who are not the CEO and hold the rank of Executive Vice President and above) for FY 2019/20.

Relevant Key Management Personnel ⁶		Fee %	Salary %	Bonuses ¹ %	Shares ² %	Benefits ³ %	Total %
Between \$2,000,000 to \$2,250,000							
Mak Swee Wah ^{4,5}	Declared Basis	0	36	23	36	5	100
Ng Chin Hwee ^{4,5}	Declared Basis	0	36	23	36	5	100

¹ The bonuses declared in respect of FY 2019/20 Group and individual performance include the PSB and the EVA-based Incentive Plan (EBIP) bonus funding. The EBIP Declared in respect of FY 2019/20 is added to the Opening EBIP Bank Balance (Note 4). Any negative EBIP Declared will result in an offset against the current EBIP Bank Balance. See above table for information on the PSB and EBIP Declared under the Bonuses column (on a Declared Basis).

² Based on the Accounting Fair Values of RSP (\$8.91) and PSP (\$10.27) granted on a contingent basis in FY 2019/20.

³ Includes transport allowance, travel benefits and employer CPF contributions where relevant.

⁴ The Opening EBIP Bank Balance at the beginning of FY 2019/20 was \$1,061,717 for each Executive Vice President and is subject to positive or negative incentives declared on an annual basis.

⁵ Based on the previous Cash Paid Basis used for disclosure, the Total Remuneration for Mr Mak Swee Wah and Mr Ng Chin Hwee on a Cash Paid Basis for bonuses in respect of FY 2018/19 Group and individual performance would fall into a band between \$2,250,000 to \$2,500,000.

⁶ The above table reflects the remuneration of the employees who hold the rank of Executive Vice President and above, who are the Relevant Key Management Personnel of the Company.

In addition to the above total remuneration, former Executive Vice President Mr Ng Chin Hwee was granted an initial award of 37,471 shares on a contingent basis under the Transformation Share Award (TSA) in July 2019, which will commence vesting based on 100% achievement factor in July 2020 (subject to adjustment for the rights issue) in line with his early retirement agreement with the Company given his career-long contributions to the transformation journey of the airline.

For FY 2019/20, the aggregate total remuneration paid to the Relevant Key Management Personnel (who are not the CEO) amounted to \$4,049,868 (excluding Transformation Share Awards).

For FY 2019/20, there were no termination, retirement or post-employment benefits granted to Directors, the CEO and Relevant Key Management Personnel other than the standard contractual notice period termination payment in lieu of service, and the industry standard post-retirement travel benefits for the CEO and Relevant Key Management Personnel. In addition, Mr Ng Chin Hwee received a pro-rated Annual Wage Supplement for calendar year 2020 as part of his early retirement agreement with the Company.

There were no employees who were substantial shareholders of the Company, or were immediate family members of a Director, the CEO or a substantial shareholder of the Company and whose remuneration exceeded \$100,000, during FY 2019/20.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS (PRINCIPLE 9)

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

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

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

To support the BSRC, a dedicated Risk Management Department looks into and oversees the Group's risk management framework. In addition, the Legal, Compliance and Secretariat Department manages certain key regulatory compliance policies. The Statement on Risk Management can be found on pages 64 to 65.

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

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

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

Having reviewed the risk management practices and activities of Singapore Airlines, the Board, with the concurrence of the BSRC, is of the opinion that the Group's risk management system was adequate and effective as at 31 March 2020.

AUDIT COMMITTEE (PRINCIPLE 10)

The AC's activities for FY 2019/20, in accordance with its responsibilities and duties under its Charter, included the matters set out below. To discharge its responsibilities and duties, the AC has full access to, and the co-operation of, Management. The AC also has full discretion to invite any Director or executive officer to attend its meetings, and has been given adequate resources to discharge its functions. The AC meets with the internal and external auditors without the presence of non-audit Management every quarter.

(A) Financial Reporting

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



CORPORATE GOVERNANCE REPORT

(B) Financial Matters

In the review of the financial statements for FY 2019/20, the following significant matters impacting the financial statements were reviewed by the AC and discussed with Management and the external auditors:

Significant Matters	How the AC reviewed these matters
Accounting for passenger revenue and sales in advance of carriage	<p>The AC reviewed the Group's changes to ticketing terms for ticket holders impacted by cancelled flights arising from the COVID-19 pandemic.</p> <p>The AC reviewed and is satisfied with the reasonableness of Management's judgement and assumptions in forming the revised ticket breakage estimates.</p> <p>The AC considered and is satisfied with the processes and controls in place for recording revenue within passenger revenue systems.</p> <p>The AC considered and was satisfied that the accounting for passenger revenue and sales in advance of carriage was appropriate.</p>
Accounting for the fair value and expiry of KrisFlyer miles	<p>The AC reviewed the Group's changes to the KrisFlyer programme arising from the COVID-19 pandemic.</p> <p>The AC reviewed and is satisfied with the reasonableness of Management's judgement and assumptions applied in the mathematical models used to determine the fair value of expected miles to be awarded and the percentage of miles that will expire without use.</p> <p>The AC considered and was satisfied that accounting for the KrisFlyer revenue and deferred revenue was appropriate.</p>
Accounting for carrying values of aircraft and related assets	<p>The AC reviewed and is satisfied with the reasonableness of Management's judgement and assumptions used in forming the accounting estimates underpinning the assessment of the recoverable amount of the full service and cargo operation ("FSC") and low cost airlines ("LCC") cash generating units ("CGUs"). The AC is satisfied with the resultant carrying values of the aircraft and related assets.</p>
Accounting for fuel hedges	<p>The AC reviewed and is satisfied with the reasonableness of Management's judgement and assumptions used in forming the forecasted future fuel consumption and associated fair value losses accounted for at 31 March 2020 and determined that the accounting for fuel hedges was appropriate.</p>

(C) External Audit

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

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

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

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

(D) Risk Management

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

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

(E) Interested Person Transactions

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

(F) Whistle-Blowing

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

(G) Internal Audit

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

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



CORPORATE GOVERNANCE REPORT

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

The Control Self-Assessment ("CSA") Programme established since FY 2003/04 provides a framework for Management to obtain assurance on the state of internal controls. The CSA Programme requires operating departments' management to review and report annually on the adequacy of their respective units' control environment to the AC. The Internal Audit Department performed independent and random reviews during the year to validate the results of these self-assessments.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management and various Board Committees, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 March 2020 to address financial, operational, information technology and compliance risks, which the Group considers relevant and material to its operations.

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

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS (PRINCIPLE 11)

ENGAGEMENT WITH SHAREHOLDERS (PRINCIPLE 12)

Singapore Airlines is committed to continually strengthen its relationship with the investing community and believes in timely and consistent disclosure of pertinent and price-sensitive information to enable a transparent assessment of the Company's value. The Company values dialogue with shareholders, and holds analyst and media briefings when announcing half-year and full-year results. A physical media and analyst briefing was organised after the release of the Company's half-year (1H FY 2019/20) results. A full transcript of the proceedings was made available on SGXNet and the Company's website under the 'Information for Investors' section on the next working day. Following the announcement of the Company's full-year results, an analyst and media conference call was organised due to meeting restrictions imposed during the COVID-19 outbreak. The audio recording of the conference call was uploaded on the Company's website the next day, followed by the transcript of the Question and Answer segment, which was subsequently posted on SGXNet and the Company's website.

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

The Investor Relations Department also meets with analysts and investors on a regular basis through investor conferences, roadshows, post-results luncheons as well as ad-hoc meetings and teleconferences. A dedicated investor relations email address (investor_relations@singaporeair.com.sg) and hotline (+65 6541 4885) are maintained for the investing community to reach out to the Company for queries.

The Company's commitment to corporate transparency and investor relations was recognised in 2012, when Singapore Airlines was inducted into the Hall of Fame in the Most Transparent Company Award Category at the 13th Investors Choice Awards presented by the Securities Investors Association of Singapore ("SIAS").

Conduct of General Meetings

All Board members attended the last Annual General Meeting of the Company in 2019. The Board members always endeavour to attend shareholders' meetings where shareholders are given the opportunity to raise questions and clarify issues they may have relating to the resolutions to be passed, with the Board. The Chairmen of the various Board Committees or members of the Board Committees standing in for them, as well as Senior Management and the external auditors, would be present and available to address questions at these meetings.

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

To enhance transparency in the voting process, the Company had, since FY 2008/09, implemented full poll voting for all the resolutions tabled at its shareholders' meetings. Singapore Airlines appoints an independent external party as scrutineer for the electronic poll voting process. Prior to the shareholders' meeting, the scrutineer reviews the proxies and electronic poll voting system, and attends the proxy verification process. This ensures that the proxy and poll voting information is compiled correctly. During the shareholders' meeting, the scrutineer explains the polling instructions to the shareholders and proxies.

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

Singapore Airlines currently does not implement voting in absentia by mail or electronic means. This is due to concerns with the authentication of the shareholder's identity and other related security and integrity issues.

MANAGING STAKEHOLDER RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS (PRINCIPLE 13)

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

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

Other Matters

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



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

FOR THE PERIOD FROM 1 APRIL 2019 TO 31 MARCH 2020

Name of Directors	Board		Board Executive Committee		Board Audit Committee		Board Compensation and Industrial Relations Committee		Board Safety and Risk Committee		Board Nominating Committee		Customer Experience, Technology and Sustainability Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Peter Seah Lim Huat	5	5	6	6	-	-	4	4	4	4	4	4	-	-
Goh Choon Phong	5	5	6	5	-	-	-	-	-	-	-	-	4	4
Gautam Banerjee	5	5	6	5	4	4	-	-	-	-	-	-	-	-
Simon Cheong Sae Peng	5	5	-	-	-	-	4	4	-	-	-	-	4	4
David John Gledhill	5	5	-	-	-	-	-	-	4	4	-	-	4	4
Goh Swee Chen	5	5	-	-	4	4	-	-	-	-	4	4	4	4
Dominic Ho Chiu Fai	5	5	-	-	4	4	-	-	4	4	-	-	-	-
Hsieh Tsun-yan	5	5	6	6	4	4	4	4	-	-	-	-	-	-
Lee Kim Shin	5	5	-	-	-	-	-	-	4	4	4	4	-	-

FURTHER INFORMATION ON BOARD OF DIRECTORS

PETER SEAH LIM HUAT, ^{aged 73}

Non-executive and independent Director

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

Date of first appointment as a director:

1 September 2015

Date of appointment as Chairman:

1 January 2017

Date of last re-election as a director:

29 July 2019

Board committee(s) served on:

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

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. DBS Group Holdings Ltd	Chairman

Other Principal Commitments

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

Past Directorships/Principal Commitments held over the preceding 5 years

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

GOH CHOON PHONG, ^{aged 56}

Executive and non-independent Director

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

Date of first appointment as a director:

1 October 2010

Date of last re-election as a director:

27 July 2018

Board committee(s) served on:

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

Current Directorships in Other Listed Companies

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

Other Principal Commitments

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

Past Directorships/Principal Commitments held over the preceding 5 years

Organisation/Company	Title
1. International Air Transport Association	Chairman, Board of Governors
2. Mount Alvernia Hospital	Director
3. Virgin Australia Holdings Limited*	Director
4. National Council of Social Service	Member, Care & Share @SG50 Steering Committee

* Listed Company

** Delisted from the official list of the Singapore Exchange Securities Trading Limited on 19 October 2015



FURTHER INFORMATION ON BOARD OF DIRECTORS

GAUTAM BANERJEE, aged 65

Non-executive and independent Director

Academic and Professional Qualifications:

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

Fellow of the Institute of Chartered Accountants,
England and Wales

Fellow of the Institute of Chartered Accountants, Singapore

Date of first appointment as a director:

1 January 2013

Date of last re-election as a director:

27 July 2018

Board committee(s) served on:

Board Audit Committee	Chairman
Board Executive Committee	Member

SIMON CHEONG SAE PENG, aged 63

Non-executive and independent Director

Academic and Professional Qualifications:

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

Bachelor of Science in Civil Engineering,
University of Washington

Date of first appointment as a director:

1 June 2017

Date of last re-election as a director:

28 July 2017

Board committee(s) served on:

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

Current Directorships in Other Listed Companies

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

Other Principal Commitments

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

Past Directorships/Principal Commitments held over the preceding 5 years

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

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. AV Jennings Limited	Chairman

Other Principal Commitments

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

* Listed Company

DAVID JOHN GLEDHILL, aged 58
Non-executive and independent Director

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

Date of first appointment as a director:
1 September 2018

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

Board committee(s) served on:
Board Safety and Risk Committee Member
Customer Experience, Technology
and Sustainability Committee Member

Principal Commitments

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

Past Directorships/Principal Commitments held over the preceding 5 years

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

GOH SWEE CHEN, aged 59
Non-executive and independent Director

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

Date of first appointment as a director:
1 January 2019

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

Board committee(s) served on:
Board Audit Committee Member
Customer Experience, Technology
and Sustainability Committee Member
Board Nominating Committee Member

Current Directorships in Other Listed Companies

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

Other Principal Commitments

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

Past Directorships/Principal Commitments held over the preceding 5 years

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



FURTHER INFORMATION ON BOARD OF DIRECTORS

DOMINIC HO CHIU FAI, aged 69

Non-executive and independent Director

Academic and Professional Qualifications:

Bachelor of Business Administration and Master of Science,
University of Houston

Date of first appointment as a director:

1 May 2017

Date of last re-election as a director:

29 July 2019

Board committee(s) served on:

Board Safety and Risk Committee	Chairman
Board Audit Committee	Member

Current Directorships in Other Listed Companies

Organisation/Company	Title
1. Hang Lung Properties Limited	Director

Other Principal Commitments

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

HSIEH TSUN-YAN, aged 67

Non-executive and independent Director

Academic and Professional Qualifications:

Master of Business Administration,
Harvard University
Bachelor of Science in Mechanical Engineering,
University of Alberta

Date of first appointment as a director:

1 September 2012

Date of last re-election as a director:

27 July 2018

Board committee(s) served on:

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

Current Directorships in Other Listed Companies

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

Other Principal Commitments

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

Past Directorships/Principal Commitments held over the preceding 5 years

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

LEE KIM SHIN, aged 59

Non-executive and independent Director

Academic and Professional Qualifications:

Bachelor of Laws (Honours),
National University of Singapore

Date of first appointment as a director:

1 September 2016

Date of last re-election as a director:

29 July 2019

Board committee(s) served on:

Board Nominating Committee	Member
Board Safety and Risk Committee	Member

Principal Commitments

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

Past Directorships/Principal Commitments held over the preceding 5 years

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

Financial Report

93	Directors' Statement
102	Independent Auditors' Report
109	Consolidated Profit and Loss Account
110	Consolidated Statement of Comprehensive Income
111	Statements of Financial Position
112	Statements of Changes in Equity
118	Consolidated Statement of Cash Flows
120	Notes to the Financial Statements
207	Group Corporate Structure
208	Quarterly Results of the Group
209	Five-Year Financial Summary of the Group
211	Ten-Year Statistical Record
213	The Group Fleet Profile
214	Information on Shareholdings
216	Share Price and Turnover
217	Additional Information Required by the Singapore Exchange Securities

DIRECTORS' STATEMENT

The Directors are pleased to present this statement together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2020.

In our opinion:

- (a) the financial statements set out on pages 109 to 206 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 March 2020, and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

1 Directors of the Company

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

Peter Seah Lim Huat	Chairman (Independent)
Goh Choon Phong	Chief Executive Officer
Gautam Banerjee	(Independent)
Simon Cheong Sae Peng	(Independent)
David John Gledhill	(Independent)
Goh Swee Chen	(Independent)
Dominic Ho Chiu Fai	(Independent)
Hsieh Tsun-yan	(Independent)
Lee Kim Shin	(Independent)

2 Arrangements to Enable Directors to Acquire Shares and Debentures

Except as disclosed under "Directors' Interests in Shares, Share Options and Debentures" and "Equity Compensation Plans of the Company" in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or share options in, or debentures of, the Company or any other body corporate.

3 Directors' Interests in Shares, Share Options and Debentures

The following Directors who held office at the end of the financial year had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, interests in the following shares, share options, awards and debentures of the Company, and of related corporations, etc.

Name of Director	Direct interest		Deemed interest	
	1 April 2019	31 March 2020	1 April 2019	31 March 2020
Interest in Singapore Airlines Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	—	24,800	—	—
Goh Choon Phong	981,379	1,132,149	—	—
Gautam Banerjee	—	7,100	—	—
Simon Cheong Sae Peng	1,870	6,870	—	—
David John Gledhill	—	2,700	—	—
Goh Swee Chen	—	1,300	—	—
Dominic Ho Chiu Fai	—	8,600	—	—
Hsieh Tsun-yan	—	6,100	—	—
Lee Kim Shin	—	5,300	—	—

DIRECTORS' STATEMENT

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

Name of Director	Direct interest		Deemed interest	
	1 April 2019	31 March 2020	1 April 2019	31 March 2020
Interest in Singapore Airlines Limited (continued)				
<u>Conditional award of restricted shares (note 1)</u>				
Goh Choon Phong – Base Awards	60,000	75,000	–	–
– Final Awards (Pending Release)	78,300	55,800	–	–
<u>Conditional award of performance shares (note 2)</u>				
Goh Choon Phong – Base Awards	222,750	235,250	–	–
<u>Conditional award of deferred restricted shares (note 3)</u>				
Goh Choon Phong – Base Awards	57,460	44,600	–	–
<u>Conditional award of transformation restricted shares (note 4)</u>				
Goh Choon Phong – Base Awards	66,083	80,295	–	–
– Final Awards (Pending Release)	–	41,500	–	–
Interest in Ascendas India Trust				
<u>Units</u>				
Gautam Banerjee	120,000	120,000	–	–
Interest in Ascendas Real Estate Investment Trust				
<u>Units</u>				
Gautam Banerjee	20,000	20,000	–	–
Interest in Ascott Residence Trust				
<u>Units</u>				
Simon Cheong Sae Peng	–	–	NA [^]	308,000 ^{^#}
Interest in CapitalLand Commercial Trust				
<u>Units</u>				
Peter Seah Lim Huat	NA [^]	58,300 [^]	–	–
Goh Choon Phong	NA [^]	6,700 [^]	–	–
Interest in CapitalLand Mall Trust				
<u>Units</u>				
Peter Seah Lim Huat	NA [^]	148,000 [^]	–	–
Gautam Banerjee	NA [^]	120,000 [^]	–	–
Interest in CapitalLand Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	NA [^]	376,596 [^]	–	–
Goh Choon Phong	NA [^]	35,000 [^]	–	–
Goh Swee Chen	NA [^]	15,217 [^]	NA [^]	5,000 ^{^*}
Interest in CapitalLand Retail China Trust				
<u>Units</u>				
Peter Seah Lim Huat	NA [^]	98,721 [^]	–	–
Simon Cheong Sae Peng	–	–	NA [^]	245,000 ^{^#}
Interest in Mapletree Commercial Trust				
<u>Units</u>				
Simon Cheong Sae Peng	–	–	1,395,268 [*]	1,395,268 [*]

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

Name of Director	Direct interest		Deemed interest	
	1 April 2019	31 March 2020	1 April 2019	31 March 2020
Interest in Mapletree Industrial Trust				
<u>Units</u>				
David John Gledhill	100,000	—	—	—
Interest in Mapletree North Asia Commercial Trust				
<u>Units</u>				
Simon Cheong Sae Peng	—	—	295,000 [#]	295,000 [#]
Interest in Mapletree Global Student Accommodation Private Trust				
<u>Units in Class A (USD)</u>				
Goh Choon Phong	4,823	4,823	—	—
<u>Units in Class B (GBP)</u>				
Goh Choon Phong	4,823	4,823	—	—
Interest in Singapore Technologies Engineering Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	545,325	543,325	—	—
Goh Choon Phong	6,000	6,000	—	—
Interest in Singapore Telecommunications Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	1,667	1,667	1,550*	1,550*
Goh Choon Phong	1,610	1,610	—	—
Goh Swee Chen	—	—	—	5,000*
Hsieh Tsun-yan	—	—	47,000*	47,000*
Lee Kim Shin	190	190	—	—
Interest in StarHub Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	308,992	308,992	300,000*	300,000*
Interest in Telechoice International Limited				
<u>Ordinary shares</u>				
Peter Seah Lim Huat	50,000	50,000	—	—

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

[#] Directors' deemed interests arise from corporations in which the Director has a controlling interest.

[^] CapitaLand Limited and its subsidiaries became related corporations of the Company with effect from 1 July 2019.

DIRECTORS' STATEMENT

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

Notes:

1. The actual number of Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over, in the case of awards granted before 2016, the two-year performance periods relating to the relevant awards and, in the case of awards granted from 2016 onwards, over the one-year performance periods relating to the relevant awards.
2. The actual number of Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the three-year performance periods relating to the relevant awards.
3. The Awards of fully-paid ordinary shares will vest at the end of three years from the date of the grant of the award. At the end of the vesting period, an additional number of shares equivalent to the Base Award multiplied by the accumulated dividend yield (based on the sum of SIA share dividend yields declared with ex-dividend dates occurring during the vesting period) will vest.
4. The Awards of fully-paid ordinary shares will partially vest after a one-year performance period commencing from the date of the grant of the award. The actual number of Final Awards will range from 0% to 200% of the Base Awards and will vest over three years with 50% vesting after the end of the first year, and the balance at 25% over the next two years. On the final vesting date, an additional equity kicker equivalent to 20% of the Final Award will be settled with the participants.

Except as disclosed in this statement, no other Director who held office at the end of the financial year had interests in shares, share options, awards or debentures of the Company, or of related corporations etc., either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Changes in the above-mentioned interests between the end of the financial year and 21 April 2020 are as follows:

Name of Director	Direct interest		Deemed interest	
	1 April 2020	21 April 2020	1 April 2020	21 April 2020
Interest in Mapletree Commercial Trust				
<u>Units</u>				
Simon Cheong Sae Peng	–	–	1,395,268*	–

* Director's deemed interests arise from holdings by the Director's spouse.

4 Equity Compensation Plans of the Company

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

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

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

RSP 2014 and PSP 2014

Details of the RSP 2014 and PSP 2014 are disclosed in note 5 to the financial statements.

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

4 Equity Compensation Plans of the Company (continued)

RSP 2014 and PSP 2014 (continued)

Under the RSP 2014, a base number of conditional share awards ("Base Award") was/is granted to eligible participants annually. Depending on the achievement of pre-determined targets over a two-year performance period for awards granted before 2016 and over a one-year performance period for awards granted from 2016 onwards, the BCIRC will determine an achievement factor which will then be applied to the Base Award to determine the final number of RSP 2014 shares to be awarded at the end of the respective performance periods ("Final Award").

Under the PSP 2014, a base number of conditional share awards ("Base Award") was/is granted to eligible participants annually. Depending on the achievement of pre-determined targets over a three-year performance period, the BCIRC will determine an achievement factor which will then be applied to the Base Award to determine the final number of PSP 2014 shares to be awarded at the end of the respective performance periods ("Final Award").

The achievement factor could range from 0% to 200% for both the RSP 2014 and PSP 2014.

One-third of the RSP 2014 Final Awards of fully paid ordinary shares will be released to the participants upon vesting. The balance will be released equally over the subsequent two years with fulfilment of service requirements. For the transformation awards of restricted shares granted in July 2018 under the RSP 2014, half of the Final Awards of fully paid ordinary shares will be released to the participants upon vesting. The balance will be released equally over the subsequent two years with fulfilment of service requirements. On the final vesting date, an additional equity kicker equivalent to 20% of the Final Award will be settled with the participant.

All the PSP 2014 Final Awards of fully paid ordinary shares will be released to the participants at the end of the three-year performance period. For the financial year under review, all RSP 2014 and PSP 2014 Final Awards released were satisfied by way of the transfer of treasury shares to the participants.

No awards have been granted to controlling shareholders or their associates, or parent group directors or employees, under the RSP 2014 and PSP 2014.

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

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

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

During the financial year, an aggregate of 60,900 shares were delivered pursuant to awards granted under the RSP 2014 to certain Non-Executive Directors as part of their Directors' Fees for the period 1 April 2018 to 31 March 2019 in lieu of cash. The share awards consisted of the grant of fully paid shares outright with no performance or vesting conditions attached, but with a selling moratorium of one year. Details are set out below.

Names of Non-Executive Directors	Share awards granted and vested during the financial year	Balance as at 31 March 2020	Aggregate share awards granted since commencement of the RSP 2014 to end of the financial year under review
Peter Seah Lim Huat	24,800	—	24,800
Gautam Banerjee	7,100	—	7,100
Simon Cheong Sae Peng	5,000	—	5,000
David John Gledhill	2,700	—	2,700
Goh Swee Chen	1,300	—	1,300
Dominic Ho Chiu Fai	8,600	—	8,600
Hsieh Tsun-yan	6,100	—	6,100
Lee Kim Shin	5,300	—	5,300

DIRECTORS' STATEMENT

4 Equity Compensation Plans of the Company (continued)

2. RSP 2014 Base Awards

Name of participant	Balance as at 1 April 2019	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2020	Aggregate Base Awards granted since commencement of RSP 2014 to end of financial year under review
Goh Choon Phong	60,000	75,000	60,000	75,000	297,000

3. RSP 2014 Final Awards (Pending Release) ^{R1}

Name of participant	Balance as at 1 April 2019	Final Awards granted during the financial year [#]	Final Awards released during the financial year	Balance as at 31 March 2020	Aggregate ordinary shares released to participant since commencement of RSP 2014 to end of financial year under review
Goh Choon Phong	78,300	52,200	74,700	55,800	184,800

4. PSP 2014 Base Awards ^{R2}

Name of participant	Balance as at 1 April 2019	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2020	Aggregate Base Awards granted since commencement of PSP 2014 to end of financial year under review	Aggregate ordinary shares released to participant since commencement of PSP 2014 to end of financial year under review
Goh Choon Phong	222,750	95,000	82,500	235,250	400,250	20,630

5. Deferred RSP 2014 ("DSA")

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

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

Name of participant	Balance as at 1 April 2019	Base Awards granted during the financial year	Awards vested during the financial year	Balance as at 31 March 2020	Aggregate Base Awards granted since commencement of DSA to end of financial year under review	Aggregate ordinary shares released to participant since commencement of DSA to end of financial year under review
Goh Choon Phong	57,460	–	12,860	44,600	90,200	49,780

4 Equity Compensation Plans of the Company (continued)

6. Transformation RSP 2014 (“TSA”)

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

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

(a) TSA Base Awards

Name of participant	Balance as at 1 April 2019	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2020	Aggregate Base Awards granted since commencement of TSA to end of financial year under review
Goh Choon Phong	66,083	80,295	66,083	80,295	146,378

(b) TSA Final Awards (Pending Release) ^{R3}

Name of participant	Balance as at 1 April 2019	Final Awards granted during the financial year [#]	Final Awards released during the financial year	Balance as at 31 March 2020	Aggregate ordinary shares released to participant since commencement of TSA to end of financial year under review
Goh Choon Phong	–	83,000	41,500	41,500	41,500

^{R1} The actual number of RSP 2014 Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the Achievements against Targets over the two-year performance periods relating to the relevant awards for awards granted before 2016 and over the one-year performance periods relating to the relevant awards for awards granted from 2016 onwards.

^{R2} The actual number of PSP 2014 Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the three-year performance periods relating to the relevant awards.

^{R3} The actual number of TSA Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the one-year performance periods relating to the relevant awards.

[#] 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.

DIRECTORS' STATEMENT

5 Equity Compensation Plans of Subsidiaries

The particulars of the equity compensation plans of a subsidiary of the Company are as follows:

(i) SIA Engineering Company Limited ("SIAEC")

At the Extraordinary General Meeting of SIAEC held on 21 July 2014, shareholders of SIAEC approved the adoption of the SIAEC Restricted Share Plan 2014 ("SIAEC RSP 2014") and the SIAEC Performance Share Plan 2014 ("SIAEC PSP 2014").

Details and terms of the SIAEC RSP/SIAEC RSP 2014 and SIAEC PSP/SIAEC PSP 2014 have been disclosed in the Directors' Statement of SIAEC.

6 Audit Committee

At the date of this statement, the Audit Committee comprises the following four independent non-executive Directors:

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

The Audit Committee performed its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, the SGX-ST Listing Manual and the Code of Corporate Governance, which include *inter alia* the review of the following:

- (i) quarterly and annual financial statements of the Group and the Company prior to their submissions to the Board of Directors for adoption;
- (ii) audit scopes, plans and reports (including Key Audit Matters) of the external and internal auditors;
- (iii) adequacy and effectiveness of material controls, including financial, operational, compliance, information technology controls and risk management framework;
- (iv) adequacy and effectiveness of the internal audit function, and the effectiveness, independence and objectivity of the external auditors;
- (v) interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual);
- (vi) whistle-blowing programme instituted by the Company; and
- (vii) any material loss of funds, significant computer security incidents and legal cases.

The Audit Committee has held four meetings since the last Directors' Statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system. The Audit Committee also reviewed management's internal control adequacy representations that is based on the Control Self-Assessment System. In the review of the audited financial statements of the Group and the Company, the Audit Committee had discussed with management and the external auditors the accounting principles that were applied and their judgement on the items that might affect the financial statements. Based on the review and discussions with management and the external auditors, the Audit Committee is of the view that the financial statements are fairly presented in conformity with generally accepted accounting principles in all material aspects.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

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

7 Auditors

The external auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board,

PETER SEAH LIM HUAT
Chairman

GOH CHOON PHONG
Chief Executive Officer

Dated this 29th day of May 2020

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 2020, the consolidated profit and loss account, consolidated statements of comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 109 to 206.

In our opinion, the accompanying consolidated financial statements of the Group and the statements of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2020 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.

Accounting for passenger revenue and sales in advance of carriage

Refer to note 2(t) "Revenue" and note 3(c) "Passenger revenue recognition" for the relevant accounting policy and a discussion of significant accounting estimates.

The key audit matter	How the matter was addressed in our audit
<p>Passenger revenue is not recorded immediately on sale of flight tickets but is deferred to be recorded at a later time as revenue in the profit and loss account when a passenger is flown. Such deferred revenue is presented on the statement of financial position as sales in advance of carriage and is measured based on the sales price to the customer, net of ticket breakage (tickets sold but not utilised at flight date), discounts and rebates.</p> <p>The global Covid-19 outbreak was declared by the World Health Organisation on 11 March 2020 to be a pandemic and many countries have put in place travel restrictions and passenger requirements in response. These travel restrictions have resulted in a significant decline in global travel demand, and consequently, the Group has cancelled a significant number of its passenger flights in the near-term.</p> <p>These flight cancellations have caused a significant reduction in passenger revenue and forward bookings and also necessitated the payment of certain customer refunds. In addition, the Group has initiated changes in ticketing terms and conditions for certain affected ticket holders which include the extension of the ticket validities, amongst other measures.</p> <p>With these measures, historical trend information which has been used in the past, including to assist in our analysis of the reasonableness of passenger revenue and sales in advance of carriage and estimated ticket breakage rates requires re-examination.</p> <p>In addition, flight tickets sold often involve multiple flight sectors and partner airlines. 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.</p> <p>As a result of these complexities, this is a key focus area in our audit.</p>	<p>We held discussions with senior management to understand the Group's plans regarding ticket holders impacted by cancelled flights arising from the Covid-19 pandemic. Through these discussions, and reviews of the Group's announcements and documented internal policies and approvals, we understood the Group's changes to the ticketing terms for these affected ticket holders.</p> <p>To analyse the financial impact of cancelled and disrupted flights arising as a result of the Covid-19 pandemic, we performed data and analytical routines over passenger revenue recognised during the flight cancellation period as well as an analysis of the impact of flight cancellations on forward bookings that are recorded as sales in advance of carriage.</p> <p>We also performed test of details over a sample of passenger revenue to ascertain its appropriate recognition on flight date. In addition, we recomputed the underlying operating statistics of the Group to enable us to perform an analytical review of passenger revenue balances given the significant changes witnessed as compared to historical periods arising from the impact of Covid-19.</p> <p>We assessed the revised ticket breakage estimates taking into account revisions to ticket terms.</p> <p>To check the accuracy of the revenue recorded by the passenger revenue systems, we tested the relevant computer system controls, including the user access, program change controls and application controls over internal passenger revenue systems. Our tests of these controls were designed to determine whether these key computer 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 revenue.</p> <p>Computer system controls were tested selectively; these included those relating to the completeness of transfers of data between systems, ticket validation to identify data errors and the assignment of ticket prices to each flight. Key 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.</p> <p>We obtained direct assistance from the Group's internal auditors to test the effectiveness of key 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.</p>

Findings

No significant exceptions were noted in the testing performed over passenger revenue and sales in advance of carriage. Changes in ticketing terms have appeared to be incorporated in a balanced manner in the Group's estimate of ticket breakage.

INDEPENDENT AUDITORS' REPORT

To the members of Singapore Airlines Limited

Accounting for the fair value and expiry of KrisFlyer miles

Refer to note 2(t) "Revenue" and note 3(d) "Frequent flyer programme" 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>Cash is received by the Company from programme partners in return for the issuance of miles in its KrisFlyer frequent flyer programme. In addition, a portion of unearned revenue is separately identified from the value of the ticket sales for flights on which KrisFlyer members qualify to earn KrisFlyer miles ("miles").</p> <p>Cash received from programme partners from the issuance of miles and the portion of unearned revenue attributable to miles earned on qualifying flights are recognised on the statement of financial position as deferred revenue, after taking into account the expected utilisation of the miles.</p> <p>Revenue is subsequently recognised when KrisFlyer members fly, or utilise other redemption options for goods or services.</p> <p>Significant judgement is required in the following aspects:</p> <ul style="list-style-type: none"> The number of miles that will expire without use – The Company relies on historical expiry patterns in determining these estimates; and The determination of the fair value of frequent flyer miles – The Company relies on historical redemption patterns in determining these estimates. <p>Predicting the impact of KrisFlyer scheme revisions that are anticipated to change the number of miles that will expire over time is inherently judgemental. These judgements are further heightened by the global travel restrictions caused by the Covid-19 pandemic and the resulting revisions to the KrisFlyer frequent flyer programme. Similarly, the estimation of the fair value of miles awarded in the KrisFlyer frequent flyer programme inherently requires judgement. As a result, the validity of historical data typically used in determining these estimates requires re-assessment.</p> <p>These are key focus areas of our audit.</p>	<p>We held discussions with senior management to understand the revisions to the KrisFlyer programme arising from the Covid-19 pandemic. Through these discussions, and reviews of the Group's announcements and documented internal policies and approvals, we understood the Group's changes to the KrisFlyer programme.</p> <p>We challenged the assumptions used to estimate the number of miles that will expire without use, including a comparison to historical expiry patterns and actual changes as well as planned changes to the KrisFlyer frequent flyer programme that may affect future redemptions.</p> <p>We checked the accuracy of the historical analysis used by testing relevant computer system controls.</p> <p>We evaluated the assumptions applied in the mathematical models used to determine the fair value of expected miles to be awarded. This included undertaking a comparison to historical redemption patterns and testing the calculations for mile values against observable inputs such as the Company's published market air fares. We also tested the controls implemented over the models.</p>

Findings

Given the recency of the Covid-19 related travel restrictions, we found the estimate of the percentage of miles that will not be used to be balanced. We found the estimate for the fair value of miles awards to be balanced.

Accounting for the carrying values of aircraft and related assets

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

The key audit matter	How the matter was addressed in our audit
<p>The accounting for the carrying value of aircraft and related assets has a material impact on the Group due to the significant cumulative value of the aircraft and long-lived nature of these assets. These aircraft and aircraft related assets belong to the full service and cargo operations ("FSC") and low cost airline ("LCC") cash generating units ("CGUs").</p> <p>The Covid-19 pandemic has resulted in a significant amount of economic uncertainty in the current and future economic environment in which the Group operates. The Group's near-term cashflows have been negatively impacted due to global travel restrictions and the resultant global decrease in travel demand. The duration and severity of the crisis is dependent on events which are continuously unfolding and are beyond the control of the Group.</p> <p>As a result, there is a high degree of estimation uncertainty inherent in estimating the duration and severity of the economic downturn caused by the Covid-19 pandemic, and the pattern of any expected recovery. As a result, the estimates and assumptions used in the cashflow projections which form the basis of the recoverable amounts attributable to the two CGUs require significant judgement. These judgements require estimates to be made over areas including those relating to future revenues (yield), operating costs, growth rates, projected aircraft usage, aircraft capital expenditure, foreign exchange rates and discount rates for each of the two CGUs.</p> <p>Because of the inherent difficulties and limitations in obtaining audit evidence on an event that has recently surfaced and on which developments continue to unfold, this is a key area of focus for our audit.</p>	<p>We studied publicly available aviation industry reports relating to the impact Covid-19 pandemic has on global passenger demand, to understand the possible recovery scenarios.</p> <p>We held discussions with senior management to understand the basis of the assumptions used in forming the estimates underpinning the assessment of the recoverable amount of the FSC and LCC CGUs. These estimates include those relating to yield, operating costs, growth rates, projected aircraft usage, aircraft capital expenditure, foreign exchange rates and discount rates.</p> <p>We challenged these estimates based on our knowledge of the business and the aviation industry and our understanding of the different possible recovery scenarios of global passenger demand based on the degree of sensitivity of these scenarios.</p> <p>We performed sensitivity analyses over certain inputs, being long term growth rates and yield, used in assessing the recoverable amount of the FSC and LCC CGUs.</p> <p>We assessed the arithmetical accuracy of the computations used in assessing the recoverable amount of the FSC and LCC CGUs.</p>

Findings

The shorter term economic and regulatory environment that the Group operates in has been significantly disrupted by the global Covid-19 pandemic. The key inputs including yield, discount rates, growth rates and fuel prices used in assessing the recoverable amount of the FSC and LCC CGUs are subject to significant amounts of volatility and uncertainty. Nevertheless, we found the estimates underpinning the cashflow projections involved in the computation of the recoverable amount of the FSC and LCC CGUs to be reasonable in the context of currently available relevant information.

INDEPENDENT AUDITORS' REPORT

To the members of Singapore Airlines Limited

Accounting for fuel hedges

Refer to note 2(l) "Financial Instruments" 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 Group uses a variety of derivative financial instruments to hedge its risks associated with jet fuel price fluctuations.</p> <p>The significant decline in oil prices in March 2020 has resulted in significant fair value losses on the Group's open fuel derivative financial instruments.</p> <p>The cancellation of passenger flights in the near-term and the expectations of passenger capacity in FY2020/21 impacted by the travel restrictions associated with the Covid-19 pandemic has resulted in the previously hedged forecasted fuel consumption exceeding the current forecasted fuel consumption. Cumulative changes in fair value of fuel derivative financial instruments relating to the excess hedges for FY2020/21 have been recognised in profit or loss at 31 March 2020.</p> <p>Due to the high degree of estimation uncertainty inherent in assessing the duration and severity of the economic downturn caused by the Covid-19 pandemic and the consequent lifting of global travel restrictions, determining the associated recovery and forecasted future fuel consumption requires significant judgement.</p> <p>Because of these inherent difficulties and limitations in obtaining audit evidence on an event that has recently surfaced and on which developments continue to unfold, this is a key area of focus for our audit.</p>	<p>We studied publicly available aviation industry reports relating to the impact Covid-19 pandemic has on global passenger demand, to understand the possible recovery scenarios.</p> <p>We held discussions with senior management to understand the basis of the assumptions used in forming the forecasted future fuel consumption. We challenged these estimates based on our understanding of the different possible Covid-19 recovery scenarios.</p> <p>We checked the accuracy of forecasted future fuel consumption based on management's estimated aircraft capacity usage and the calculation of the associated losses at 31 March 2020.</p> <p>We checked the accuracy of the fair value losses of the underlying derivative instruments.</p>

Findings

We found the key assumptions used in the forecasted future fuel consumption for FY2020/21 and associated fair value losses accounted for at 31 March 2020 to be reasonable in the context of all available relevant information.

Other Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have obtained all other information prior to the date of this auditors' report except for the *Chairman's Letter to Shareholders, Environment, Community Engagement, Corporate Governance Report, Membership and Attendance of Singapore Airlines Limited, Information on Shareholdings, The Group Fleet Profile, and Use of Proceeds from Issue of Rights Shares and Mandatory Convertible Bonds* ("the Reports") which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

INDEPENDENT AUDITORS' REPORT

To the members of Singapore Airlines Limited

Auditors' responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Malcolm Ramsay.

KPMG LLP

Public Accountants and
Chartered Accountants

Dated this 29th day of May 2020
Singapore

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For The Financial Year Ended 31 March 2020 (in \$ million)

		The Group	
	Notes	FY2019/20	FY2018/19*
REVENUE	4	15,975.9	16,323.2
EXPENDITURE			
Staff costs	5	2,563.6	2,816.9
Fuel costs		4,636.5	4,587.1
Fuel hedging ineffectiveness	41(a)	709.8	–
Depreciation	21, 22	2,134.2	1,327.9
Impairment of property, plant and equipment	21	14.2	–
Amortisation of intangible assets	23	57.5	61.9
Aircraft maintenance and overhaul costs		835.4	899.2
Commission and incentives		489.8	472.5
Landing, parking and overflying charges		886.4	884.0
Handling charges		1,276.7	1,315.0
Rentals on leased aircraft		79.2	679.7
Inflight meals		539.0	550.4
Advertising and sales costs		334.2	331.8
Company accommodation and utilities		50.2	93.5
Other passenger costs		187.7	188.0
Crew expenses		172.4	168.1
Impairment of amount owing by a joint venture company		61.6	–
Other operating expenses		888.4	880.1
		15,916.8	15,256.1
OPERATING PROFIT	6	59.1	1,067.1
Finance charges	7	(220.9)	(116.1)
Interest income	8	42.1	41.9
Surplus/(Loss) on disposal of aircraft, spares and spare engines		6.9	(5.8)
Dividends from long-term investments		3.2	3.1
Other non-operating items	9	(31.9)	(47.4)
Share of profits of joint venture companies		46.4	23.2
Share of losses of associated companies		(125.1)	(97.4)
(LOSS)/PROFIT BEFORE TAXATION		(220.2)	868.6
TAXATION	10	50.8	(147.0)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(169.4)	721.6
(LOSS)/PROFIT ATTRIBUTABLE TO:			
OWNERS OF THE COMPANY		(212.0)	682.7
NON-CONTROLLING INTERESTS		42.6	38.9
		(169.4)	721.6
BASIC (LOSS)/EARNINGS PER SHARE (CENTS)	11	(17.9)	57.7
DILUTED (LOSS)/EARNINGS PER SHARE (CENTS)	11	(17.9)	57.4

* Refer to note 2(b) for the initial application of IFRS 16.

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 2020 (in \$ million)

	The Group	
	FY2019/20	FY2018/19*
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(169.4)	721.6
OTHER COMPREHENSIVE INCOME:		
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
Currency translation differences	35.5	20.3
Net fair value changes on cash flow hedges	(2,603.3)	158.2
Share of other comprehensive income of associated and joint venture companies	5.2	12.0
Realisation of foreign currency translation reserves on liquidation of an associated company	0.2	–
Realisation of foreign currency translation reserves on disposal of a subsidiary company	–	(0.1)
<u>Items that will not be reclassified subsequently to profit or loss:</u>		
Actuarial loss on revaluation of defined benefit plans	(5.3)	(5.5)
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR, NET OF TAX	(2,567.7)	184.9
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	(2,737.1)	906.5
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
OWNERS OF THE COMPANY	(2,786.4)	863.4
NON-CONTROLLING INTERESTS	49.3	43.1
	(2,737.1)	906.5

* Refer to note 2(b) for the initial application of IFRS 16.

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

STATEMENTS OF FINANCIAL POSITION

As At 31 March 2020 (in \$ million)

		The Group 31 March		The Company 31 March	
	Notes	2020	2019*	2020	2019*
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	13	1,856.1	1,856.1	1,856.1	1,856.1
Treasury shares	14	(156.0)	(171.5)	(156.0)	(171.5)
Other reserves	15	7,614.0	11,602.2	7,162.6	10,088.8
		9,314.1	13,286.8	8,862.7	11,773.4
NON-CONTROLLING INTERESTS					
		418.6	396.4	–	–
TOTAL EQUITY		9,732.7	13,683.2	8,862.7	11,773.4
DEFERRED ACCOUNT					
	16	33.3	83.9	33.3	75.1
DEFERRED TAXATION					
	17	1,335.3	2,040.3	1,292.2	1,750.2
LONG-TERM LEASE LIABILITIES					
		1,467.6	–	700.6	–
BORROWINGS					
	18	7,162.9	6,423.3	6,810.3	5,973.6
OTHER LONG-TERM LIABILITIES					
	19	1,875.7	89.1	1,860.7	85.0
PROVISIONS					
	20	990.7	702.5	308.3	429.8
DEFINED BENEFIT PLANS					
		112.5	104.5	111.9	103.9
		22,710.7	23,126.8	19,980.0	20,191.0
Represented by:					
PROPERTY, PLANT AND EQUIPMENT					
	21	25,485.8	22,176.3	20,315.6	17,311.5
RIGHT-OF-USE ASSETS					
	22	1,477.7	–	745.7	–
INTANGIBLE ASSETS					
	23	487.0	451.3	216.6	194.1
SUBSIDIARY COMPANIES					
	24	–	–	4,769.9	3,591.2
ASSOCIATED COMPANIES					
	25	817.0	1,104.5	120.3	555.2
JOINT VENTURE COMPANIES					
	26	191.5	171.7	32.3	30.6
LONG-TERM INVESTMENTS					
	27	65.2	343.9	54.8	333.5
OTHER LONG-TERM ASSETS					
	28	345.7	713.7	167.4	543.7
DEFERRED ACCOUNT					
	16	–	44.1	–	37.0
CURRENT ASSETS					
Deferred account	16	–	8.9	–	6.6
Derivative assets	41	169.3	371.4	169.3	371.4
Inventories	29	239.3	229.9	168.4	157.6
Trade debtors	30	820.5	1,527.2	440.5	1,138.8
Amounts owing by subsidiary companies	30	–	–	200.4	3.7
Deposits and other debtors	31	330.8	93.8	297.7	63.7
Prepayments		121.1	164.9	85.1	98.2
Other short-term assets		38.9	42.8	30.3	42.8
Investments	32	423.5	116.8	375.3	68.5
Cash and bank balances	33	2,685.3	2,944.0	2,521.9	2,716.0
Assets held for sale	21	14.2	–	–	–
		4,842.9	5,499.7	4,288.9	4,667.3
Less: CURRENT LIABILITIES					
Borrowings	18	2,661.0	231.1	2,601.1	159.8
Lease liabilities		493.0	–	273.7	–
Current tax payable		68.5	87.3	39.2	55.0
Trade and other creditors	34	3,016.0	3,163.6	2,250.5	2,304.2
Amounts owing to subsidiary companies	34	–	–	1,021.5	971.8
Sales in advance of carriage	35	2,041.4	2,715.4	1,888.3	2,479.8
Deferred revenue	35	755.8	610.9	755.8	610.9
Deferred account	16	31.6	44.9	29.7	37.9
Derivative liabilities	41	1,570.8	89.5	1,565.2	88.1
Provisions	20	364.0	435.7	306.5	365.6
		11,002.1	7,378.4	10,731.5	7,073.1
NET CURRENT LIABILITIES		(6,159.2)	(1,878.7)	(6,442.6)	(2,405.8)
		22,710.7	23,126.8	19,980.0	20,191.0

* Refer to note 2(b) for the initial application of IFRS 16.

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 2020 (in \$ million)

The Group

	Notes	Share capital	Treasury shares	Capital reserve
Balance at 1 April 2019*		1,856.1	(171.5)	(124.3)
Effects of changes in accounting standards		–	–	–
As restated		1,856.1	(171.5)	(124.3)
<u>Comprehensive income</u>				
Currency translation differences	15(b)	–	–	–
Net fair value changes on cash flow hedges	15(d)	–	–	–
Actuarial loss on revaluation of defined benefit plans		–	–	–
Realisation of foreign currency translation reserves on liquidation of an associated company		–	–	–
Share of other comprehensive income of associated and joint venture companies		–	–	13.1
Other comprehensive income for the financial year, net of tax		–	–	13.1
(Loss)/Profit for the financial year		–	–	–
Total comprehensive income for the financial year		–	–	13.1
<u>Transactions with owners, recorded directly in equity</u>				
<u>Contributions by and distributions to owners</u>				
Share of other changes in equity of an associated company		–	–	(2.5)
Changes in ownership interest without loss of control		–	–	–
Share-based compensation expense	5	–	–	–
Treasury shares reissued pursuant to equity compensation plans	14	–	15.5	1.0
Issuance of share capital by a subsidiary company		–	–	–
Dividends	12	–	–	–
Total transactions with owners		–	15.5	(1.5)
Balance at 31 March 2020		1,856.1	(156.0)	(112.7)

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



Attributable to owners of the Company						
Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non- controlling interests	Total equity
(33.2)	24.9	459.7	11,275.1	13,286.8	396.4	13,683.2
–	–	–	(847.4)	(847.4)	–	(847.4)
(33.2)	24.9	459.7	10,427.7	12,439.4	396.4	12,835.8
25.1	–	–	–	25.1	10.4	35.5
–	–	(2,602.3)	–	(2,602.3)	(1.0)	(2,603.3)
–	–	–	(4.8)	(4.8)	(0.5)	(5.3)
0.2	–	–	–	0.2	–	0.2
2.6	–	(8.3)	–	7.4	(2.2)	5.2
27.9	–	(2,610.6)	(4.8)	(2,574.4)	6.7	(2,567.7)
–	–	–	(212.0)	(212.0)	42.6	(169.4)
27.9	–	(2,610.6)	(216.8)	(2,786.4)	49.3	(2,737.1)
–	–	–	–	(2.5)	(0.5)	(3.0)
–	(3.6)	–	1.8	(1.8)	2.1	0.3
–	20.5	–	–	20.5	1.0	21.5
–	(16.1)	–	–	0.4	–	0.4
–	–	–	–	–	1.0	1.0
–	–	–	(355.5)	(355.5)	(30.7)	(386.2)
–	0.8	–	(353.7)	(338.9)	(27.1)	(366.0)
(5.3)	25.7	(2,150.9)	9,857.2	9,314.1	418.6	9,732.7

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2020 (in \$ million)

The Group

	Notes	Share capital	Treasury shares	Capital reserve
Balance at 1 April 2018		1,856.1	(183.5)	(139.4)
<u>Comprehensive income</u>				
Currency translation differences	15(b)	–	–	–
Net fair value changes on cash flow hedges	15(d)	–	–	–
Share of other comprehensive income of associated and joint venture companies		–	–	20.8
Realisation of foreign currency translation reserve on disposal of a subsidiary company		–	–	–
Actuarial loss on revaluation of defined benefit plans		–	–	–
Other comprehensive income for the financial year, net of tax		–	–	20.8
Profit for the financial year		–	–	–
Total comprehensive income for the financial year		–	–	20.8
<u>Transactions with owners, recorded directly in equity</u>				
<u>Contributions by and distributions to owners</u>				
Share of other changes in equity of associated companies		–	–	(3.2)
Changes in ownership interest without loss of control		–	–	–
Share-based compensation expense	5	–	–	–
Share options and awards lapsed		–	–	–
Treasury shares reissued pursuant to equity compensation plans	14	–	12.0	(0.9)
Issuance of share capital by subsidiary companies		–	–	–
Dividends	12	–	–	–
Total contributions by and distributions to owners		–	12.0	(4.1)
<u>Changes in ownership interests in a subsidiary company</u>				
Acquisition of non-controlling interests without a change in control		–	–	(1.6)
Total changes in ownership interests in a subsidiary company		–	–	(1.6)
Total transactions with owners		–	12.0	(5.7)
Balance at 31 March 2019		1,856.1	(171.5)	(124.3)

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



Attributable to owners of the Company						
Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non- controlling interests	Total equity
(52.4)	79.5	313.5	10,986.5	12,860.3	368.1	13,228.4
13.9	–	–	–	13.9	6.4	20.3
–	–	159.0	–	159.0	(0.8)	158.2
5.4	–	(12.8)	–	13.4	(1.4)	12.0
(0.1)	–	–	–	(0.1)	–	(0.1)
–	–	–	(5.5)	(5.5)	–	(5.5)
19.2	–	146.2	(5.5)	180.7	4.2	184.9
–	–	–	682.7	682.7	38.9	721.6
19.2	–	146.2	677.2	863.4	43.1	906.5
–	–	–	–	(3.2)	–	(3.2)
–	(2.8)	–	(0.5)	(3.3)	3.2	(0.1)
–	21.0	–	–	21.0	–	21.0
–	(61.7)	–	61.7	–	–	–
–	(11.1)	–	–	–	–	–
–	–	–	–	–	19.5	19.5
–	–	–	(449.8)	(449.8)	(34.4)	(484.2)
–	(54.6)	–	(388.6)	(435.3)	(11.7)	(447.0)
–	–	–	–	(1.6)	(3.1)	(4.7)
–	–	–	–	(1.6)	(3.1)	(4.7)
–	(54.6)	–	(388.6)	(436.9)	(14.8)	(451.7)
(33.2)	24.9	459.7	11,275.1	13,286.8	396.4	13,683.2

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2020 (in \$ million)

The Company

	Notes	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2019*		1,856.1	(171.5)	(929.8)	21.2	366.4	10,631.0	11,773.4
Effects of changes in accounting standards		–	–	–	–	–	(184.4)	(184.4)
As restated		1,856.1	(171.5)	(929.8)	21.2	366.4	10,446.6	11,589.0
<u>Comprehensive income</u>								
Net fair value changes on cash flow hedges	15(d)	–	–	–	–	(2,100.7)	–	(2,100.7)
Actuarial loss on revaluation of defined benefit plans		–	–	–	–	–	(4.0)	(4.0)
Other comprehensive income for the financial year, net of tax		–	–	–	–	(2,100.7)	(4.0)	(2,104.7)
Loss for the financial year		–	–	–	–	–	(283.5)	(283.5)
Total comprehensive income for the financial year		–	–	–	–	(2,100.7)	(287.5)	(2,388.2)
<u>Transactions with owners, recorded directly in equity</u>								
<u>Contributions by and distributions to owners</u>								
Share-based compensation expense		–	–	–	17.0	–	–	17.0
Treasury shares reissued pursuant to equity compensation plans	14	–	15.5	1.0	(16.1)	–	–	0.4
Dividends	12	–	–	–	–	–	(355.5)	(355.5)
Total transactions with owners		–	15.5	1.0	0.9	–	(355.5)	(338.1)
Balance at 31 March 2020		1,856.1	(156.0)	(928.8)	22.1	(1,734.3)	9,803.6	8,862.7

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

The Company

	Notes	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2018		1,856.1	(183.5)	26.7	74.6	206.7	10,250.6	12,231.2
Effects of integration of SIA Cargo		–	–	(955.6)	–	18.0	(2.8)	(940.4)
<u>Comprehensive income</u>								
Net fair value changes on cash flow hedges	15(d)	–	–	–	–	141.7	–	141.7
Actuarial loss on revaluation of defined benefit plans		–	–	–	–	–	(5.5)	(5.5)
Other comprehensive income for the financial year, net of tax		–	–	–	–	141.7	(5.5)	136.2
Profit for the financial year		–	–	–	–	–	779.1	779.1
Total comprehensive income for the financial year		–	–	–	–	141.7	773.6	915.3
<u>Transactions with owners, recorded directly in equity</u>								
<u>Contributions by and distributions to owners</u>								
Share-based compensation expense		–	–	–	17.1	–	–	17.1
Share options and awards lapsed		–	–	–	(59.4)	–	59.4	–
Treasury shares reissued pursuant to equity compensation plans	14	–	12.0	(0.9)	(11.1)	–	–	–
Dividends	12	–	–	–	–	–	(449.8)	(449.8)
Total transactions with owners		–	12.0	(0.9)	(53.4)	–	(390.4)	(432.7)
Balance at 31 March 2019		1,856.1	(171.5)	(929.8)	21.2	366.4	10,631.0	11,773.4

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 March 2020 (in \$ million)

	Notes	The Group	
		FY2019/20	FY2018/19*
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation		(220.2)	868.6
Adjustments for:			
Depreciation	21, 22	2,134.2	1,327.9
Impairment of property, plant and equipment	21	14.2	–
Amortisation of intangible assets	23	57.5	61.9
Impairment of trade debtors	6	7.5	5.7
Impairment of amount owing by a joint venture company		61.6	–
Writedown of inventories	6	8.8	5.4
Income from short-term investments	6	(1.4)	(1.1)
Provisions	20	180.0	302.2
Share-based compensation expense	5	20.5	21.0
Exchange differences		(11.0)	(2.4)
Net loss/(gain) on financial assets mandatorily measured at fair value through profit or loss ("FVTPL")	6	0.5	(0.7)
Fuel hedging ineffectiveness		709.8	–
Foreign currency hedging ineffectiveness	6	(30.0)	–
Amortisation of deferred loss on sale and operating leaseback transactions	6	–	4.3
Finance charges	7	220.9	116.1
Interest income	8	(42.1)	(41.9)
(Surplus)/Loss on disposal of aircraft, spares and spare engines		(6.9)	5.8
Dividends from long-term investments		(3.2)	(3.1)
Other non-operating items	9	31.9	47.4
Share of profits of joint venture companies		(46.4)	(23.2)
Share of losses of associated companies		125.1	97.4
Operating cash flow before working capital changes		3,211.3	2,791.3
Decrease in trade and other creditors		(346.2)	(28.1)
(Decrease)/Increase in sales in advance of carriage		(674.0)	273.3
Decrease/(Increase) in trade debtors		660.3	(206.1)
Increase in deposits and other debtors		(237.0)	(10.9)
Decrease in prepayments		10.6	19.7
Increase in inventories		(18.2)	(66.6)
Increase in deferred revenue		144.9	54.8
Cash generated from operations		2,751.7	2,827.4
Income taxes paid		(19.8)	(26.3)
NET CASH PROVIDED BY OPERATING ACTIVITIES		2,731.9	2,801.1

* Refer to note 2(b) for the initial application of IFRS 16.

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

		The Group	
	Notes	FY2019/20	FY2018/19*
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure	36	(5,103.5)	(5,562.3)
Purchase of intangible assets	36	(91.6)	(105.4)
Proceeds from disposal of aircraft and other property, plant and equipment		124.3	180.2
Proceeds from sale and leaseback transactions		117.2	–
Purchase of long-term investments		–	(5.0)
Proceeds from disposal of long-term investments		41.5	157.6
Purchase of short-term investments		(689.1)	(798.8)
Proceeds from disposal of short-term investments		661.7	850.6
Dividends received from associated and joint venture companies		84.0	108.2
Dividends received from investments		5.2	5.2
Interest received from investments and deposits		42.2	47.8
Proceeds from finance leases		9.2	–
Proceeds from disposal of a subsidiary company, net of cash disposed		–	1.6
Investments in associated companies		(141.0)	(205.6)
Investments in joint venture companies		(11.9)	(40.5)
Loan to a joint venture company		(18.1)	–
Proceeds from disposal of associated companies		–	4.0
Proceeds from liquidation of an associated company		5.1	–
NET CASH USED IN INVESTING ACTIVITIES		(4,964.8)	(5,362.4)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	12	(355.5)	(449.8)
Dividends paid by subsidiary companies to non-controlling interests	12	(30.7)	(34.4)
Acquisition of non-controlling interests without a change in control		–	(4.7)
Issuance of share capital by subsidiary companies		1.0	19.5
Interest paid		(206.0)	(124.5)
Proceeds from issuance of bonds		–	1,350.0
Proceeds from borrowings		3,985.2	2,280.4
Repayment of borrowings		(878.3)	(93.7)
Repayment of lease liabilities		(575.9)	–
Payment of transaction costs related to borrowings		(4.2)	(11.1)
NET CASH PROVIDED BY FINANCING ACTIVITIES		1,935.6	2,931.7
NET CASH (OUTFLOW)/INFLOW		(297.3)	370.4
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		2,944.0	2,568.3
Effect of exchange rate changes		38.6	5.3
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		2,685.3	2,944.0
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Fixed deposits	33	1,283.5	1,623.0
Cash and bank balances	33	1,401.8	1,321.0
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		2,685.3	2,944.0

* Refer to note 2(b) for the initial application of IFRS 16.

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 2020

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, 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 2020 comprise the Company and its subsidiary companies (together referred to as "the Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The principal activities of the Group consist of passenger and cargo air transportation, engineering services, training of pilots, air charters and tour wholesaling and related activities. The principal activity of the Company consists of passenger and cargo air transportation.

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 29 May 2020.

2 Summary of Significant Accounting Policies

The accounting policies applied by the Group and the Company are consistent with all periods presented in these financial statements, except as explained in note 2(b), which addresses changes in accounting policies.

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD"), which is the Company's functional currency and all values in the tables are rounded to the nearest million, unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will be able to meet its liabilities as and when they fall due. The Group has generated a loss before taxation of \$220.2 million (FY2018/19: profit before taxation of \$868.6 million) during the year ended 31 March 2020 and as of that date, the Group and the Company's net current liabilities were \$6,159.2 million (2019: \$1,878.7 million) and \$6,442.6 million (2019: \$2,405.8 million) respectively. The Group has announced on 26 March 2020 that it is actively taking steps to build up its liquidity through a rights issue of ordinary shares and mandatory convertible bonds, together with other measures detailed in note 45, to enable the Group and the Company to continue its operations as a going concern and to meet its liabilities as and when they fall due.

(b) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2019, 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 2019. 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 except for the adoption of IFRS 16 Leases.

2 Summary of Significant Accounting Policies (continued)

(b) Changes in accounting policies (continued)

Adoption of IFRS 16 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group applied the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 is recognised as an adjustment to the opening balance of general reserve at 1 April 2019, with no restatement of comparative information. The Group also applied the practical expedient to grandfather the definition of lease on transition. This means that IFRS 16 is applied to all contracts entered into before 1 April 2019 which have been identified as leases in accordance with IAS 17 and IFRIC 4. In addition, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

(i) As lessee

The Group chose, on a lease-by-lease basis, to measure an ROU asset at either:

- its carrying amount as if IFRS 16 had been applied since the commencement date; or
- an amount equal to the lease liability arising from the capitalisation of the present value of future lease payments, adjusted for any prepaid or accrued lease payments.

In addition, the Group applied the following practical expedients:

- apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- rely on previous assessments regarding whether the leases are onerous applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before 1 April 2019 as an alternative to performing an impairment review;
- account for aircraft and engine leases for which the lease term ends within 12 months from 1 April 2019 as short-term leases;
- exclude initial direct costs for the measurement of ROU assets as of 1 April 2019; and
- use hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

The Group discounted lease payments using the applicable incremental borrowing rates at 1 April 2019. The rate applied is between 3.0% to 4.0%.

(ii) As lessor

IFRS 16 substantially carries forward the current lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

The Group reassessed the classification of sub-leases in which the Group is a lessor. The Group reclassified two sub-leases as finance leases, resulting in the recognition of a finance lease receivable. There was no significant impact for other leases in which the Group is a lessor.

(iii) Impact on Consolidated Profit and Loss Account

The expenses related to operating leases shown in the Consolidated Profit and Loss Account under "Rentals on leased aircraft" and "Company accommodation and utilities" are replaced by depreciation expense for ROU assets and finance charges on lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

2 Summary of Significant Accounting Policies (continued)

(b) Changes in accounting policies (continued)

Adoption of IFRS 16 Leases (continued)

(iv) Impact on Statements of Financial Position

	At 1 April 2019	
	Increase/(Decrease)	
	The Group	The Company
<u>Equity</u>		
General reserve	(847.4)	(184.4)
<u>Liabilities</u>		
Deferred account (non-current)	(38.7)	(29.9)
Deferred taxation	(117.0)	(39.8)
Long-term lease liabilities	1,742.3	890.4
Provisions (non-current)	316.7	(25.8)
Deferred account (current)	(6.6)	(4.9)
Trade and other creditors	(16.8)	(12.3)
Lease liabilities	443.0	277.8
Provisions (current)	2.4	–
<u>Assets</u>		
Property, plant and equipment	102.8	–
ROU assets	1,706.5	936.1
Associated companies	(282.2)	–
Other long term assets	29.1	–
Deferred account (non-current)	(44.1)	(37.0)
Prepayments	(33.2)	(21.4)
Deferred account (current)	(8.9)	(6.6)
Other short-term assets	7.9	–

(v) Reconciliation of operating lease commitments

The differences between the operating lease commitments previously disclosed in the Group's financial statements as at 31 March 2019 and the lease liabilities recognised in the balance sheet as at 1 April are as follows:

	The Group
Operating lease commitments disclosed as at 31 March 2019	2,542.9
Less: Short-term leases	(103.4)
Less: Low-value leases	(21.8)
Less: Discounting effect using the weighted average borrowing rate of 3.68%	(240.4)
Less: Leases with variable component	(15.4)
Add: Extension options which are reasonably certain to be exercised	23.4
Lease liabilities recognised as at 1 April 2019	2,185.3

2 Summary of Significant Accounting Policies (continued)

(b) Changes in accounting policies (continued)

Adoption of amendments to IFRS 9, IAS 39 and IFRS 7 interest rate benchmark reform

The Group applied the interest rate benchmark reform amendments retrospectively to hedging relationships that existed at 1 April 2019 or were designated thereafter and that are directly affected by interest rate benchmark reform. These amendments also apply to the gain or loss recognised in other comprehensive income that existed at 1 April 2019. For details on the impact of adoption of the standard, please refer to note 2(l)(vi).

(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 2021 onwards are as follows:

Description	Effective from
Amendments to References to Conceptual Framework in IFRS Standards	1 April 2020
Definition of a Business (Amendments to IFRS 3)	1 April 2020
Definition of Material (Amendments to IAS 1-1 and IAS 1-8)	1 April 2020
IFRS 17 Insurance Contracts	1 April 2023

(d) Basis of consolidation

Business combinations are accounted for by applying the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Acquisition-related costs, other than those associated with the issue of debt or equity securities, are recognised as expenses as incurred.

Any excess of the total of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable net assets is recorded as goodwill. The accounting policy for goodwill is set out in note 2(f)(iv). When the amount is negative, a bargain purchase gain is recognised immediately in the profit and loss account.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit and loss account.

Any contingent consideration will be recognised at fair value at the acquisition date and included in the consideration amount. If the contingent consideration is classified as equity, it is not remeasured and settled within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the profit and loss account.

The Group elects for each separate business combination, whether the non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions and therefore no adjustments are made to goodwill and no gain or loss is recognised in the profit and loss account. In such circumstances, adjustments are based on a proportionate amount of the net assets of the subsidiary companies.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in the consolidated financial statements. Unrealised gains arising from transactions with associated and joint venture companies are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

2 Summary of Significant Accounting Policies (continued)

(e) Subsidiary, associated and joint venture companies

In the Company's separate financial statements, investments in subsidiary, associated and joint venture companies are accounted for at cost less accumulated impairment losses.

A subsidiary company is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiary companies are included in the consolidated financial statements from the date the control commences until the date the control ceases.

The accounting policies of subsidiary companies have been changed when necessary to align them with policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if doing so causes the non-controlling interest to have a deficit balance.

An associated company is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

A joint venture company is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group accounts for its investments in associated and joint venture companies using the equity method, initially at cost, including transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of associated and joint venture companies, until the date on which significant influence or joint control ceases. Dividends reduce the carrying amounts of the investments.

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.

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 were acquired in business combinations and are measured at cost less accumulated amortisation and accumulated impairment losses.

(vi) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(vii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful lives are as follows:

- Computer software 1 – 10 years
- Licences 3 years
- Trademarks 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 44 years.

Advance and progress payments are not amortised. Amortisation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted if appropriate.

(g) Foreign currencies

Foreign currency transactions

Foreign currency transactions are translated into SGD at the rates prevailing at the dates of those transactions.

All foreign currency monetary assets and liabilities are translated into SGD at rates prevailing at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The foreign currency gain or loss on monetary assets and liabilities is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency re-translated at the exchange rate at the end of the year.

Foreign currency differences are recognised in the profit and loss account, except for qualifying cash flow hedges which are deferred to equity.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

2 Summary of Significant Accounting Policies (continued)

(g) Foreign currencies (continued)

Foreign operations

For the purpose of the consolidated financial statements, the net assets of foreign subsidiary, associated and joint venture companies are translated into SGD at rates prevailing at the reporting date. The financial results of foreign subsidiary, associated and joint venture companies are translated monthly into SGD at prevailing exchange rates. The resulting gains or losses on exchange are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations, and translated into SGD at the closing rate at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity, except to the extent that the foreign currency differences are allocated to non-controlling interests. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary company while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associated or a joint venture company while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(h) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When parts of a property, plant and equipment have different useful lives, they are accounted for as separate components. Cost includes expenditure that is directly attributable to the acquisition of the asset, including capitalised borrowing cost.

When assets are sold or retired, their costs, accumulated depreciation and accumulated impairment losses, if any, are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

Leasehold hotel properties held by an associated company are carried at fair value, less accumulated depreciation and accumulated impairment losses. Fair values of leasehold hotel properties are determined by independent professional valuers on an annual basis. The Group's share of the revaluation gain or loss is reflected under the share of post-acquisition capital reserve.

(ii) Depreciation of property, plant and equipment

Depreciation is based on the cost of an asset less its residual value. Operational lives, residual values and depreciation methods are reviewed annually, and adjusted prospectively, if appropriate. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised from the date the property, plant and equipment is installed and ready for use.

Freehold land, advance and progress payments are not depreciated.

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 – 20 years	0% to 10% of cost; or market value estimates
Embedded engine overhaul costs	4 – 10 years	Nil
Freighter aircraft	20 – 23 years	Market value estimates
Major inspection costs relating to landing gear overhauls and heavy maintenance visits	4 – 12 years	Nil
Training aircraft	5 – 15 years	10% of cost
Flight simulators	5 – 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 5 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 - policy applicable under IFRS 16

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.

This policy is applied to contracts entered into on or after 1 April 2019.

(i) As a Lessee

The Group recognises a ROU asset and lease liability at the lease commencement date.

ROU asset

ROU asset is initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimated cost to restore the underlying asset, less any lease incentive received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, except for embedded engine overhaul cost. The embedded engine overhaul cost is depreciated over the useful life on the same basis as those of property, plant and equipment disclosed in note 2(h). In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

Major improvements and modifications to leased aircraft due to operational requirements are capitalised and depreciated over their expected useful lives (estimated to be 4 to 10 years).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

2 Summary of Significant Accounting Policies (continued)

(i) Leases - policy applicable under IFRS 16 (continued)

(i) As a Lessee (continued)

Lease liability

The initial measurement of lease liability is measured at the present value of the unpaid lease payments discounted using the implicit rate in the lease, or if the rate cannot be easily determined, the Group shall use its incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining the interest rate from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments include the following:

- Fixed payments, including in-substance fixed payments, less any incentives receivables;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if there is a change in the Group's estimate of the residual value guarantees, extension or termination options, or there is a revision to an in-substance fixed payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease components for property and training aircraft leases and account for these as one single lease component.

Interest expense arising from lease liabilities are included in repayment of leases under cash flow from financing activities in the consolidated statement of cash flows.

Short-term leases and leases of low value assets

The Group has elected not to recognise ROU assets and lease liabilities for leases of low value and short term aircraft and engine leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a Lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (refer to note 2(l)).

2 Summary of Significant Accounting Policies (continued)

(j) Leases - policy applicable under IAS 17

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

(i) Finance lease – as lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased asset, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the profit and loss account.

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 8 years).

(ii) Operating lease – as lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Major improvements and modifications to leased aircraft due to operational requirements are capitalised and depreciated over the remaining lease term period or, where appropriate, their expected useful lives (estimated to be 4 to 10 years).

(iii) Operating lease – as lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Aircraft leased out under operating leases are included under property, plant and equipment and are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

(l) 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

2 Summary of Significant Accounting Policies (continued)

(I) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

For equity investments that are not held for trading, the Group may irrevocably elect, on initial recognition, to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

- a) Amortised cost: A non-equity financial asset can be measured at amortised cost if it meets both of the following conditions:
 - The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- b) FVOCI: A non-equity financial asset can be measured at FVOCI only if it meets both of the following conditions:
 - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
 - The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- c) FVTPL: All other financial assets are classified as measured at FVTPL. Financial assets that are held for trading or are managed, and whose performance is evaluated on a fair value basis, are measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVOCI, to be measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Group's Management;
- 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.

2 Summary of Significant Accounting Policies (continued)

(I) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Assessment of whether contractual cash flows are solely payments of principal and interest (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers contingent events, leverage features, modifications of the time value of money and other limiting terms in the contractual terms of the instrument, which could change the timing or amount of contractual cash flows such that the cash flows of the instrument would not be reflective of solely payments of principal and interest.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing those financial assets.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the sum of the (i) consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that has been recognised in other comprehensive income, is recognised in profit or loss.

Any cumulative gain/loss recognised in other comprehensive income, in respect of equity investment securities designated as at FVOCI, is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition, that is created or retained by the Group, is recognised as a separate asset or liability.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(v) Impairment

Expected credit loss

The Group recognises loss allowances for expected credit loss ("ECL") on non-equity financial instruments that are not measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

2 Summary of Significant Accounting Policies (continued)

(I) Financial instruments (continued)

(v) Impairment (continued)

Expected credit loss (continued)

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- Non-equity financial instruments that are determined to have a low credit risk at the reporting date; and
- Other non-equity financial instruments (other than trade debtors) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for trade debtors are always measured at an amount equal to lifetime ECL.

The Group considers a non-equity financial instrument to have a low credit risk when its credit quality is rated to be of an investment grade by credit rating agencies.

12-month ECL is the portion of lifetime ECL that results from the default events on a financial instrument that are possible within the 12 months after the reporting date. The lifetime ECL is the expected credit loss over the term of the financial instrument, and is the shortfall of the probability weighted net present value of cash flows as compared to the carrying value of the non-equity financial asset.

The Group considers a financial guarantee contract provided on behalf of a counterparty to be in default, when the counterparty is unlikely to pay its credit obligations to the creditor or the Group in full.

Credit-impaired financial assets

At each reporting date, the Group assesses whether non-equity financial assets that are carried at amortised cost or FVOCI are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(vi) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as forward currency contracts, foreign currency option contracts, cross currency swap contracts, interest rate swap contracts, jet fuel option contracts, jet fuel and Brent and crack swap contracts to hedge its risks associated with foreign currency, interest rate and jet fuel price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivative financial instruments are remeasured at their fair values. The Group also utilises financial liabilities to hedge its risks associated with foreign currency risks embedded within the residual values of owned aircraft.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken directly to the profit and loss account.

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.

2 Summary of Significant Accounting Policies (continued)

(l) Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Designation of hedges (continued)

The hedge effectiveness assessment is an assessment of the economic relationship between the hedged item and the hedging instrument, and is therefore only forward looking. There is no prescribed quantitative hedge effectiveness threshold. Hedge effectiveness is the extent to which the fair value of the hedging instrument offsets changes in the fair value of the hedged item.

The time value of an option is excluded from the designation of a financial instrument and is accounted for as a cost of hedging. The fair value changes related to time value are recognised in other comprehensive income and, depending on the nature of the hedged item, will either be transferred to profit and loss account in the same period that the underlying transaction affects profit or loss, or be capitalised into the initial carrying value of a hedged item.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interbank offered rates reform for the purpose of asserting that the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. The Group will no longer apply the amendments to its highly probable assessment of the hedged item when the uncertainty arising from interest rate benchmark reform with respect to the timing and amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued. To determine whether the designated forecast transaction is no longer expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued. The cumulative gain or loss previously recognised in the fair value reserve remains there until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

Cash flow hedges

When a derivative is designated in a cash flow hedge, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the fair value reserve. Any ineffective portion of changes in the fair value of the derivative (i.e. the extent to which changes in the fair value of the hedge instrument do not match the changes in fair value of the hedged item) is recognised immediately in profit or loss.

The amount accumulated in equity is retained in other comprehensive income, and depending on the nature of the hedged item, will either be transferred to the profit or loss in the same period that the underlying transaction affects the profit and loss account or be capitalised in the initial carrying amount of a hedged item.

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.

(m) 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 and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. 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. 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

2 Summary of Significant Accounting Policies (continued)

(m) Impairment of non-financial assets (continued)

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.

(n) 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 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.

(o) 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.

(p) Provisions

Provisions are recognised when, as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic resources will be required to settle the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Provisions for return costs to meet contractual minimum conditions for the return of aircraft, at the end of the lease terms for aircraft under operating leases, are recorded over the lease terms.

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

(q) 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.

(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.

2 Summary of Significant Accounting Policies (continued)

(s) Taxation

(i) Current income tax

Tax recoverable and tax liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to, respectively, the tax authorities using tax rates enacted or substantively enacted at balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income taxes are recognised in the profit and loss account except to the extent that the tax relates to a business combination, or items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided, using the balance sheet method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are not recognised for:

- Temporary differences on the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Temporary differences associated with investments in subsidiary, associated and joint venture companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilised.

Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

(t) Revenue

Revenue is principally earned from the carriage of passengers, cargo and mail, engineering services and tour activities, amongst others. Revenue for the Group excludes dividends from subsidiary companies and intra-group transactions.

(i) Passenger, cargo and mail

Passenger, cargo and mail sales are recognised as operating revenue when the transportation is provided. The value of unutilised tickets and airway bills is included in current liabilities as sales in advance of carriage. Breakage revenue (tickets sold and not uplifted at flight date) is recognised at flight date by estimating a percentage of tickets that will never be utilised, based on historical trends and experience. The value of airway bills is recognised as revenue if unused after one year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

2 Summary of Significant Accounting Policies (continued)

(t) Revenue (continued)

(i) Passenger, cargo and mail (continued)

The Group sells certain tickets with connecting flights with one or more segments operated by its other airline partners. For segments operated by its other airline partners, the Group has determined that it is acting as an agent on behalf of other airlines as they are responsible for their portion of the contract (i.e. transportation of the passenger). The Group, as the agent, recognises revenue at the time of the travel for the net amount representing commission to be retained by the Group for any segments flown by other airlines.

The Group has applied the practical expedient and recognised the costs of selling airline travel tickets as an expense when it is incurred.

(ii) Engineering services

Revenue from repair and maintenance of aircraft, and engine and component overhaul is recognised based on the percentage of completion of the projects. The percentage of completion of the projects is determined based on the number of man-hours incurred to date against the estimated man-hours needed to complete the projects.

(iii) KrisFlyer

The Company operates a frequent flyer programme called "KrisFlyer" that provides travel awards to programme members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits is deferred until they are utilised.

In addition, the Company also sells miles to programme partners for issuance to their programme members. For miles purchased by programme partners, revenue is deferred until awards are utilised.

The deferment of the revenue is estimated based on historical trends of breakage, which is then used to project the expected utilisation of these benefits.

(iv) Others

Revenue from tour activities is recognised upon commencement of the tours.

Revenue from sale of merchandise is recognised when the product is delivered and received by the customer.

Rental income from the lease of aircraft is recognised on a straight-line basis over the lease term.

(u) Government grants

Government grants that compensate the Group for expenses incurred are recognised in profit or loss, net of these expenses on a systematic basis in the same periods in which the expenses are recognised.

(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.

2 Summary of Significant Accounting Policies (continued)

(w) Employee benefits (continued)

(i) Equity compensation plans (continued)

Non-market vesting performance conditions are included in the estimation of the number of shares that are expected to be awarded on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to be awarded on the vesting date and recognises the impact of the revision of the estimates in the profit and loss account, with a corresponding adjustment to the share-based compensation reserve, over the remaining vesting period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The share-based compensation reserve is transferred to general reserve upon cancellation or expiry of the vested awards. When the awards are released, the share-based compensation reserve is transferred to share capital if new shares are issued, or to treasury shares if the awards are satisfied by the reissuance of treasury shares.

(ii) Defined benefit plans

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Remeasurements comprising actuarial gains and losses, and the return on plan assets are recognised immediately in other comprehensive income in the period in which they arise. All expenses related to the defined benefit plans are recognised as an expense in profit or loss. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by long-term employee benefit funds or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group.

(iii) Defined contribution plans

As required by law, the companies in Singapore make contributions to the Central Provident Fund scheme in Singapore, a defined contribution scheme. Certain of the Group's subsidiary companies and overseas stations outside Singapore make contributions to their respective countries' defined contribution pension schemes. Such contributions are recognised as an expense in the period in which the related service is performed.

(iv) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(x) Aircraft maintenance and overhaul costs

The Group recognises aircraft maintenance and overhaul expenses (except heavy maintenance visits, engine overhaul and landing gear overhaul expenses) on an incurred basis. For engine overhaul costs covered by power-by-hour third-party maintenance agreements, a portion of the cost is expensed at a fixed rate per hour during the terms of the agreements. The remaining payments made are recorded as an advance payment, to the extent that it is to be utilised in the future. Upon completion of an overhaul, these amounts are transferred to property, plant and equipment and depreciated over their useful lives.

(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 2020

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.

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 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.

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 CGU.

(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 operational lives. Certain estimates regarding the operational 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 operational 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 2020 was \$18,979.9 million (2019: \$15,494.8 million) and \$15,550.3 million (2019: \$12,234.3 million) respectively.

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 2020 was \$2,041.4 million (2019: \$2,715.4 million) and \$1,888.3 million (2019: \$2,479.8 million) respectively.

(d) Frequent flyer programme

The Company operates a frequent flyer programme called "KrisFlyer" that provides travel awards to programme members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits is deferred until they are utilised.

In addition, the Company also sells miles to programme partners for issuance to their programme members. For miles purchased by programme partners, revenue is deferred until awards are utilised.

The deferment of the revenue is estimated based on historical trends of breakage, which is then used to project the expected utilisation of these benefits.

The carrying amount of the Group's and the Company's deferred revenue at 31 March 2020 was \$755.8 million (2019: \$610.9 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 2020 was \$1,433.0 million (2019: \$1,249.1 million) and \$1,015.1 million (2019: \$969.4 million) respectively. The maintenance and repair costs covered by PBH agreements which were expensed off during the year amounted to \$56.8 million (FY2018/19: \$82.6 million) for the Group and \$24.7 million (FY2018/19: \$21.4 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 2020 was \$1,309.4 million (2019: \$1,035.1 million) and \$578.6 million (2019: \$715.1 million) respectively.

(g) Hedge effectiveness of fuel derivatives

The Group has applied cash flow hedge accounting for fuel derivative contracts. Due to the expected significant capacity cuts brought about by the Covid-19 pandemic and the consequential reduction of forecasted jet fuel purchases in the ensuing year, a portion of these forecasted jet fuel purchases, for which hedge accounting had been applied previously, are no longer expected to occur. There is a high degree of estimation uncertainty inherent in assessing the duration and severity of the economic downturn caused by the Covid-19 pandemic and the consequent lifting of global travel restrictions. As a result, determining the associated recovery and forecasted future fuel consumption requires significant judgement. As a result, hedge accounting has been discontinued for these hedging relationships, and the cumulative loss previously recognised in the fair value reserve amounting to \$709.8 million (2019: \$nil) has been reclassified to profit or loss during the year. Please refer to note 2(l)(vi) and 41 for more details.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

4 Segment Information (in \$ million)

Management has determined that the Group has the following reportable segments:

- (i) The Singapore Airlines segment provides passenger and cargo air transportation under the Singapore Airlines brand with a focus on full-service passenger segment serving short and long haul markets.
- (ii) The SilkAir segment provides passenger air transportation under the SilkAir brand with a focus on full-service passenger segment serving regional markets.
- (iii) The Budget Aviation segment provides passenger air transportation under the Scoot brand with a focus on the low-cost passenger segment.
- (iv) SIAEC segment is in the business of providing airframe maintenance and overhaul services, line maintenance, technical ground handling services and fleet management. It also manufactures aircraft cabin equipment, refurbishes aircraft galleys, provides technical and non-technical handling services and repair and overhaul of hydro-mechanical aircraft equipment.

Other services provided by the Group, such as tour activities and sale of merchandise, have been aggregated under the segment "Others". None of these segments meets any of the quantitative thresholds for determining reportable segments in FY2019/20 or FY2018/19.

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.

4 Segment Information (in \$ million) (continued)

Business segments

The Group's business is organised and managed separately according to the nature of the services provided. The following table presents revenue and profit information regarding business segments for the financial years ended 31 March 2020 and 2019 and certain assets and liabilities information of the business segments as at those dates.

FY2019/20	Singapore Airlines	SilkAir	Budget Aviation	SIAEC	Others	Total of segments	Elimination*	Consolidated
TOTAL REVENUE								
External revenue	12,918.0	888.2	1,624.8	444.9	100.0	15,975.9	–	15,975.9
Inter-segment revenue	94.7	17.8	55.8	549.2	98.0	815.5	(815.5)	–
	13,012.7	906.0	1,680.6	994.1	198.0	16,791.4	(815.5)	15,975.9
RESULTS								
Segment result	294.2	(112.3)	(197.7)	67.7	9.5	61.4	(2.3)	59.1
Finance charges	(197.3)	(15.1)	(72.4)	(3.8)	(0.3)	(288.9)	68.0	(220.9)
Interest income	91.1	4.3	0.5	10.4	2.0	108.3	(66.2)	42.1
Surplus/(loss) on disposal of aircraft, spares and spare engines	6.8	0.2	(0.1)	–	–	6.9	–	6.9
Dividends from long-term investments	3.1	0.1	–	–	–	3.2	–	3.2
Other non-operating items	(11.0)	(4.1)	(19.1)	2.3	–	(31.9)	–	(31.9)
Share of profits of joint venture companies	1.9	–	–	44.5	–	46.4	–	46.4
Share of (losses)/profits of associated companies	(217.8)	–	(0.2)	83.4	–	(134.6)	9.5	(125.1)
Taxation	6.8	23.1	36.9	(14.0)	(2.0)	50.8	–	50.8
(Loss)/Profit for the financial year	(22.2)	(103.8)	(252.1)	190.5	9.2	(178.4)	9.0	(169.4)
Attributable to:								
Owners of the Company								(212.0)
Non-controlling interests								42.6
								(169.4)

* Relates to inter-segment transactions eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

4 Segment Information (in \$ million) (continued)

Business segments (continued)

FY2018/19	Singapore Airlines	SilkAir	Budget Aviation	SIAEC	Others	Total of segments	Elimination*	Consolidated
TOTAL REVENUE								
External revenue	13,054.2	1,011.1	1,710.8	485.7	61.4	16,323.2	–	16,323.2
Inter-segment revenue	90.0	19.8	69.3	535.2	90.7	805.0	(805.0)	–
	13,144.2	1,030.9	1,780.1	1,020.9	152.1	17,128.2	(805.0)	16,323.2
RESULTS								
Segment result	990.5	15.2	(15.4)	56.8	12.7	1,059.8	7.3	1,067.1
Finance charges	(114.0)	(1.0)	(59.2)	(0.9)	–	(175.1)	59.0	(116.1)
Interest income	74.6	1.0	–	8.0	1.3	84.9	(43.0)	41.9
Surplus/(loss) on disposal of aircraft, spares and spare engines	4.1	(9.6)	(0.3)	–	–	(5.8)	–	(5.8)
Dividends from long-term investments	3.1	–	–	–	–	3.1	–	3.1
Other non-operating items	6.7	(59.8)	4.4	1.3	–	(47.4)	–	(47.4)
Share of profits/(losses) of joint venture companies	1.0	–	(18.2)	40.4	–	23.2	–	23.2
Share of (losses)/profits of associated companies	(170.7)	–	(0.2)	73.5	–	(97.4)	–	(97.4)
Taxation	(159.7)	1.9	29.7	(18.1)	(0.8)	(147.0)	–	(147.0)
Profit/(Loss) for the financial year	635.6	(52.3)	(59.2)	161.0	13.2	698.3	23.3	721.6
Attributable to:								
Owners of the Company								682.7
Non-controlling interests								38.9
								721.6

* Relates to inter-segment transactions eliminated on consolidation.

4 Segment Information (in \$ million) (continued)

Business segments (continued)

	Singapore Airlines	SilkAir	Budget Aviation	SIAEC	Others	Total of segments	Elimination*	Consolidated
OTHER INFORMATION AS AT 31 MARCH 2020								
Segment assets	25,734.2	2,125.1	4,499.1	1,388.9	297.9	34,045.2	(1,406.1)	32,639.1
Investments in associated and joint venture companies	391.7	–	0.2	616.6	–	1,008.5	–	1,008.5
Long-term investments	54.8	0.6	–	–	9.8	65.2	–	65.2
Total assets	26,180.7	2,125.7	4,499.3	2,005.5	307.7	35,118.9	(1,406.1)	33,712.8
Segment liabilities	7,544.3	228.8	705.5	193.7	96.5	8,768.8	(1,319.9)	7,448.9
Lease liabilities	974.3	311.8	613.2	99.2	12.2	2,010.7	(50.1)	1,960.6
Long-term liabilities	1,860.7	–	15.0	–	–	1,875.7	–	1,875.7
Provisions	614.8	211.2	527.8	0.9	–	1,354.7	–	1,354.7
Defined benefit plans	111.9	0.6	–	–	–	112.5	–	112.5
Borrowings	9,411.4	–	394.7	13.2	4.6	9,823.9	–	9,823.9
Tax liabilities	1,331.4	37.3	(6.5)	37.5	4.1	1,403.8	–	1,403.8
Total liabilities	21,848.8	789.7	2,249.7	344.5	117.4	25,350.1	(1,370.0)	23,980.1
Capital expenditure	4,590.5	81.0	390.9	36.8	4.3	5,103.5	–	5,103.5
Purchase of intangible assets	68.6	–	3.4	6.8	12.8	91.6	–	91.6
Depreciation	1,654.7	160.0	261.2	72.8	3.3	2,152.0	(17.8)	2,134.2
Impairment of property, plant and equipment	9.9	–	–	4.3	–	14.2	–	14.2
Amortisation of intangible assets	46.1	1.9	3.4	3.3	2.8	57.5	–	57.5
Non-cash items other than depreciation, impairment of property, plant and equipment and amortisation of intangible assets	89.9	10.2	9.1	12.6	0.1	121.9	–	121.9

* Relates to inter-segment transactions eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

4 Segment Information (in \$ million) (continued)

Business segments (continued)

	Singapore Airlines	SilkAir	Budget Aviation	SIAEC	Others	Total of segments	Elimination*	Consolidated
OTHER INFORMATION AS AT 31 MARCH 2019								
Segment assets	22,753.4	1,729.9	3,888.7	1,286.2	269.2	29,927.4	(1,042.3)	28,885.1
Investments in associated and joint venture companies	726.8	–	(9.6)	559.0	–	1,276.2	–	1,276.2
Long-term investments	333.5	0.6	–	–	9.8	343.9	–	343.9
Total assets	23,813.7	1,730.5	3,879.1	1,845.2	279.0	31,547.5	(1,042.3)	30,505.2
Segment liabilities	6,567.8	272.6	677.2	218.1	90.5	7,826.2	(1,118.0)	6,708.2
Long-term liabilities	85.0	–	4.1	–	–	89.1	–	89.1
Provisions	795.4	72.9	267.7	2.2	–	1,138.2	–	1,138.2
Defined benefit plans	103.9	0.6	–	–	–	104.5	–	104.5
Borrowings	6,133.4	–	501.7	19.3	–	6,654.4	–	6,654.4
Tax liabilities	1,805.2	115.0	160.8	41.6	5.0	2,127.6	–	2,127.6
Total liabilities	15,490.7	461.1	1,611.5	281.2	95.5	17,940.0	(1,118.0)	16,822.0
Capital expenditure	4,671.9	442.7	421.7	25.0	1.0	5,562.3	–	5,562.3
Purchase of intangible assets	63.6	2.6	6.0	14.8	18.4	105.4	–	105.4
Depreciation	1,051.1	79.6	147.6	49.5	0.9	1,328.7	(0.8)	1,327.9
Impairment of property, plant and equipment	–	2.3	–	–	–	2.3	–	2.3
Amortisation of intangible assets	51.2	2.5	3.7	4.0	0.5	61.9	–	61.9
Non-cash items other than depreciation, impairment of property, plant and equipment and amortisation of intangible assets	35.7	0.6	(2.5)	4.2	0.7	38.7	–	38.7

* Relates to inter-segment transactions eliminated on consolidation.

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 2020 and 2019.

	By area of original sale	
	FY2019/20	FY2018/19
East Asia	8,485.1	8,966.2
Europe	2,169.8	2,283.0
South West Pacific	2,114.5	2,091.8
Americas	970.2	889.0
West Asia and Africa	1,095.3	1,028.8
Systemwide	14,834.9	15,258.8
Non-scheduled services and incidental revenue	764.4	696.4
	15,599.3	15,955.2

No single customer contributed to more than 10% of the Group's revenue during the financial years ended 31 March 2020 and 2019.

5 Staff Costs (in \$ million)

	The Group	
	FY2019/20	FY2018/19
Salary, bonuses and other costs	2,323.3	2,583.4
CPF, other defined contributions and defined benefit expense	219.8	212.5
Share-based compensation expense	20.5	21.0
	2,563.6	2,816.9

The Group contributes to several post-employment defined benefit plans for employees at several overseas locations. Employees may contribute in some of these plans and these contributions are matched in varying amounts by the Group. Defined benefit expense for the Group was \$9.2 million for FY2019/20 (FY2018/19: \$9.3 million). As this is not material to the total staff costs of the Group for FY2019/20 and FY2018/19, additional disclosures of the defined benefit plans are not shown.

Included in staff costs for FY2019/20 are wage support of \$242.6 million from the Singapore Government's enhanced measures under the Stabilisation and Support Package.

Share-based compensation arrangements

As at 31 March 2020, the Group has the following share-based compensation arrangements:

(a) Share-based incentive plans (equity-settled)

The Singapore Airlines Limited Restricted Share Plan ("RSP 2014") and Performance Share Plan ("PSP 2014") are share-based incentive plans for senior executives and key Senior Management, which were approved by the shareholders of the Company on 30 July 2014.

The RSP 2014 awards fully paid ordinary shares of the Company, conditional on position and individual performance targets set at the start of the performance period based on medium-term Group and Company objectives.

The PSP 2014 awards fully paid ordinary shares of the Company, conditional on performance targets set at the start of a three-year overlapping performance period based on stretched long-term corporate objectives.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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

Share-based compensation arrangements (continued)

(a) Share-based incentive plans (equity-settled) (continued)

Key terms and conditions related to the grants under these programmes are as follows:

Plans	Vesting Conditions	Performance conditions [^]	Payout
RSP 2014	<u>Awards granted prior to FY2016/17</u> <ul style="list-style-type: none"> Based on meeting stated performance conditions over a two-year performance period, 50% of award vests. <u>Awards granted in and after FY2016/17</u> <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. 	At both Company and Group level <ul style="list-style-type: none"> EBITDAR[#] Margin Value Added per \$ Employment Cost 	0% - 150%*
PSP 2014	<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%*
Deferred share award ("DSA")	<ul style="list-style-type: none"> Awards cliff vest at the end of three years after the grant date, subject to meeting a three-year service-based condition and provided that individual performance remains satisfactory. Additional dividend kicker upon final vesting. 	None	100%
Transformation share award ("TSA")	<ul style="list-style-type: none"> Based on meeting performance conditions over a one-year performance period, 50% of award vests. Balance vests equally over the subsequent two years with fulfilment of service requirements. Additional 20% equity kicker of final award upon final vesting. 	<ul style="list-style-type: none"> Assessment of the success of transformation by Board Compensation and Industrial Relations Committee 	0% - 200%*

[^] For non-market conditions, achievement factors are determined based on inputs from the Board Compensation & Industrial Relations Committee for the purpose of accrual for the share-based incentive plans until the achievement of the targets can be accurately ascertained.

[#] EBITDAR denotes Earnings before Interest, Taxes, Depreciation, Amortisation and Rentals on leased aircraft.

* The payout depends on the achievement of pre-set performance targets over the performance period.

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	Balance at 1 April 2019/ date of grant	Number of Share Awards			Balance at 31 March 2020
		Adjustment	Cancelled^	Vested	
RSP 2014					
03.07.2015	173,333	—	—	(173,333)	—
18.07.2016	246,232	—	—	(246,232)	—
19.07.2017	751,626	—	(4,160)	(389,136)	358,330
19.07.2018	899,265	(125,395)#	(4,826)	(264,190)	504,854
19.07.2019	1,173,200	—	(10,000)	—	1,163,200
	3,243,656	(125,395)	(18,986)	(1,072,891)	2,026,384
PSP 2014					
18.07.2016	240,900	(182,140)#	—	(58,760)	—
19.07.2017	217,426	—	—	—	217,426
19.07.2018	285,996	—	—	—	285,996
19.07.2019	429,000	—	—	—	429,000
	1,173,322	(182,140)	—	(58,760)	932,422
DSA					
01.09.2016	65,740	5,000*	—	(70,740)	—
06.09.2017	94,070	—	—	—	94,070
11.09.2018	119,090	—	—	—	119,090
	278,900	5,000	—	(70,740)	213,160
TSA					
19.07.2018	374,469	25,331#	—	(199,900)	199,900
19.07.2019	455,005	—	—	—	455,005
	829,474	25,331	—	(199,900)	654,905

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

^{*} Adjustment at the end of performance period for Accumulated Dividend Yield.

[^] Adjustment for cancelled share awards due to resignation of staff.

Since the commencement of the RSP 2014 and PSP 2014 plans in July 2014, 7,039,731 awards have been granted.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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:

	RSP 2014	FY2019/20 PSP 2014	TSA
Valuation Method	Monte Carlo Simulation		
Expected dividend paid yield (%)	Management's forecast in line with dividend policy		
Expected volatility (%)	12.48 - 14.95	13.71	12.48 - 14.95
Risk-free interest rate (%)	1.67 - 1.70	1.69	1.67 - 1.70
Expected term (years)	0.95 - 2.95	2.95	0.95 - 2.95
Share price at date of grant (\$)	9.52	9.52	9.52
Estimated fair value (\$)	8.61 - 9.22	10.27	8.61 - 9.22

	RSP 2014	FY2018/19 PSP 2014	DSA	TSA
Valuation Method	Monte Carlo Simulation			
Expected dividend paid yield (%)	Management's forecast in line with dividend policy			
Expected volatility (%)	14.09 - 16.41	14.51	14.79	14.09 - 16.41
Risk-free interest rate (%)	1.70 - 1.92	1.92	2.02	1.70 - 1.92
Expected term (years)	0.95 - 2.95	2.95	3.00	0.95 - 2.95
Share price at date of grant (\$)	10.72	10.72	9.61	10.72
Estimated fair value (\$)	9.52 - 10.31	9.91	8.56	9.52 - 10.31

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.

6 Operating Profit (in \$ million)

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

	The Group FY2019/20	FY2018/19
Interest income from short-term investments	(1.2)	(1.0)
Dividend income from short-term investments	(0.2)	(0.1)
Income from operating lease of aircraft	(67.5)	(61.0)
Amortisation of deferred loss on sale and operating leaseback transactions	—	4.3
Loss/(Gain) on disposal of short-term investments	0.7	(1.2)
Remuneration for auditors of the Company		
Audit fees	1.8	1.7
Non-audit fees	0.4	1.1
Bad debts written off	1.4	0.1
Impairment of trade debtors	7.5	5.7
Writedown of inventories	8.8	5.4
Exchange loss, net	75.3	77.6
Currency hedging gain	(16.1)	(26.6)
Foreign currency hedging ineffectiveness	(30.0)	—
Fuel hedging loss/(gain) recognised in "Fuel costs"	130.2	(413.3)
Net loss/(gain) on financial assets mandatorily measured at FVTPL	0.5	(0.7)
Expenses relating to short-term leases	62.1	—
Expenses relating to low value leases	3.5	—

7 Finance Charges (in \$ million)

	The Group	
	FY2019/20	FY2018/19
Notes payable	138.6	105.0
Bank loans	65.9	30.8
Amortisation of transaction costs related to borrowings	1.8	0.6
Commitment fees	2.3	2.1
Lease liabilities	75.7	–
Interest paid and capitalised on qualifying assets	(63.4)	(22.4)
	220.9	116.1

Borrowing costs on qualifying assets are capitalised using an average interest rate of 3.0% (FY2018/19: 3.0%).

8 Interest Income (in \$ million)

	The Group	
	FY2019/20	FY2018/19
Interest income from fixed deposits and investments	40.9	41.9
Interest income from sub-leasing of ROU assets	1.2	–
	42.1	41.9

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

	The Group	
	FY2019/20	FY2018/19
Surplus on disposal of other property, plant and equipment	2.5	7.9
Gain on sale and leaseback transactions	1.8	–
Loss on liquidation of an associated company	(0.2)	–
Surplus on disposal of a subsidiary company	–	0.3
Impairment on long-term investments	(2.4)	–
Loss on disposal of an associated company	–	(0.1)
Net gain on financial assets mandatorily measured at FVTPL	4.7	7.3
Provision for expected credit losses on investments and loans and guarantee to a joint venture company	(28.3)	–
Loss on dilution of interest in an associated company	–	(0.6)
Competition-related settlements	(0.6)	(6.8)
Refleeting and restructuring costs	(6.5)	(59.8)
Provision for early lease termination	(2.9)	(7.0)
Writeback of provision for return cost in relation to a formerly owned associated company	–	20.7
Provision for onerous aircraft leases	–	(9.3)
	(31.9)	(47.4)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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 2020 and 2019 are:

	The Group	
	FY2019/20	FY2018/19
<u>Current taxation</u>		
Provision for the year	27.1	28.0
Over provision in respect of prior years	(23.5)	(11.2)
	<u>3.6</u>	<u>16.8</u>
<u>Deferred taxation (refer to note 17)</u>		
Movement in temporary differences	(57.8)	155.2
Under/(Over) provision in respect of prior years	3.4	(25.0)
	<u>(54.4)</u>	<u>130.2</u>
	<u>(50.8)</u>	<u>147.0</u>

Deferred taxation related to other comprehensive income:

	The Group	
	FY2019/20	FY2018/19
Cash flow hedges	(535.0)	23.0
Actuarial loss on revaluation of defined benefit plans	(0.9)	(0.9)
	<u>(535.9)</u>	<u>22.1</u>

The Group has tax losses and deductible temporary differences (for which no deferred tax asset has been recognised) of approximately \$109.3 million (2019: \$66.0 million) and \$1.7 million (2019: \$2.0 million) respectively that are available for offset against future taxable profits of the companies. This is due to the uncertainty of the recoverability of the deferred tax asset.

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

	The Group	
	FY2019/20	FY2018/19
(Loss)/Profit before taxation	(220.2)	868.6
Add: Share of losses of associated and joint venture companies	78.7	74.2
	<u>(141.5)</u>	<u>942.8</u>
Taxation at statutory corporate tax rate of 17.0%	(24.1)	160.3
Adjustments for:		
Income not subject to tax	(45.5)	(15.5)
Expenses not deductible for tax purposes	26.1	30.0
Higher effective tax rates of other countries	6.2	8.0
Over provision in respect of prior years, net	(20.1)	(36.2)
Tax benefits not recognised	8.2	2.8
Previously unrecognised tax benefits	(0.6)	(1.9)
Others	(1.0)	(0.5)
Taxation	<u>(50.8)</u>	<u>147.0</u>

11 Earnings Per Share

	The Group			
	FY2019/20		FY2018/19	
	Basic	Diluted	Basic	Diluted
(Loss)/Profit attributable to owners of the Company (in \$ million)	(212.0)	(212.0)	682.7	682.7
Adjustment for the potential dilution from share-based incentive plans of subsidiary companies (in \$ million)	–	(0.3)	–	(0.3)
Adjusted net (loss)/profit attributable to owners of the Company (in \$ million)	(212.0)	(212.3)	682.7	682.4
Weighted average number of ordinary shares in issue (in million)	1,184.7	1,184.7	1,183.3	1,183.3
Adjustment for dilutive potential ordinary shares (in million)	–	–	–	5.2
Weighted average number of ordinary shares in issue used for computing earnings per share (in million)	1,184.7	1,184.7	1,183.3	1,188.5
(Loss)/Earnings per share (cents)	(17.9)	(17.9)	57.7	57.4

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

For purposes of calculating diluted earnings per share, the (loss)/profit attributable to owners of the Company is adjusted to take into account the potential dilution from share-based incentive plans of subsidiary companies and the weighted average number of ordinary shares of the Company in issue is adjusted to take into account effects of dilutive share-based incentive plans of the Company.

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

12 Dividends Paid and Proposed (in \$ million)

	The Group and the Company	
	FY2019/20	FY2018/19
The following tax exempt (one-tier) dividends were declared and paid by the Group and Company to the owners of the Company:		
Final dividend of 22.0 cents per share in respect of FY2018/19 (FY2017/18: 30.0 cents per share in respect of FY2017/18)	260.7	355.1
Interim dividend of 8.0 cents per share in respect of FY2019/20 (FY2018/19: 8.0 cents per share in respect of FY2018/19)	94.8	94.7
	355.5	449.8

No final tax exempt (one-tier) dividend was proposed for the financial year ended 31 March 2020.

During the financial year, total dividends of \$30.7 million (FY2018/19: \$34.4 million) were paid to non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

13 Share Capital (in \$ million)

	The Group and the Company			
	Number of shares		Amount	
	2020	2019	2020	2019
Issued and fully paid share capital				
Ordinary shares				
Balance at 1 April and 31 March	1,199,851,018	1,199,851,018	1,856.1	1,856.1
Special share				
Balance at 1 April and 31 March	1	1	#	#

The value is \$0.50.

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

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

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

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

During the financial year, the Company did not issue any shares (FY2018/19: nil) upon vesting of share-based incentive plans.

14 Treasury Shares (in \$ million)

	The Group and the Company	
	31 March	
	2020	2019
Balance at 1 April	(171.5)	(183.5)
Treasury shares reissued pursuant to equity compensation plans:		
- Transferred from share-based compensation reserve	15.5	12.0
Balance at 31 March	(156.0)	(171.5)

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 (FY2018/19: nil).

The Company reissued 1,463,191 (FY2018/19: 1,132,292) treasury shares pursuant to share-based incentive plans and 60,900 (FY2018/19: nil) treasury shares on payment of Directors' remuneration. The number of treasury shares as at 31 March 2020 was 14,722,694 (2019: 16,185,885).

15 **Other Reserves (in \$ million)**

	The Group		The Company	
	31 March		31 March	
	2020	2019	2020	2019
Capital reserve	(112.7)	(124.3)	(928.8)	(929.8)
Foreign currency translation reserve	(5.3)	(33.2)	–	–
Share-based compensation reserve	25.7	24.9	22.1	21.2
Fair value reserve	(2,150.9)	459.7	(1,734.3)	366.4
General reserve	9,857.2	11,275.1	9,803.6	10,631.0
	7,614.0	11,602.2	7,162.6	10,088.8

(a) Capital reserve

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

Capital reserve for the Company mainly arose from the re-integration of SIA Cargo in FY2018/19 and the gains or losses on the reissuance of treasury shares.

(b) Foreign currency translation reserve

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

(c) Share-based compensation reserve

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

(d) Fair value reserve

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

Breakdown of the fair value reserves is as follows:

	The Group		The Company	
	31 March		31 March	
	2020	2019	2020	2019
Derivative financial instruments designated as hedging instruments	(2,150.9)	459.7	(1,734.3)	366.4

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

15 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	
	2020	2019	2020	2019
(Loss)/Gain on fair value changes	(3,235.3)	480.2	(2,614.2)	404.0
Discontinued fuel hedges reclassified to profit or loss, recognised in "Fuel hedging ineffectiveness"	589.1	–	487.6	–
Discontinued foreign currency hedges reclassified to profit or loss, recognised in "Other operating expenses"	(24.9)	–	(21.2)	–
Recognised in the carrying value of non-financial assets on occurrence of capital expenditure commitments	(27.7)	44.0	(27.7)	36.4
Recognised in the profit and loss account on occurrence of:				
Fuel hedging contracts recognised in "Fuel costs"	108.0	(343.1)	87.1	(275.2)
Foreign currency contracts recognised in "Other operating expenses"	(11.5)	(22.1)	(12.3)	(23.5)
	(2,602.3)	159.0	(2,100.7)	141.7

(e) General reserve

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

16 Deferred Account (in \$ million)

	The Group 31 March		The Company 31 March	
	2020	2019	2020	2019
Deferred loss on sale and operating leaseback transactions	–	(7.7)	–	(8.8)
	–	(7.7)	–	(8.8)
Deferred credit	64.9	83.5	63.0	78.2
	64.9	75.8	63.0	69.4
Presented as:				
- Current assets	–	(8.9)	–	(6.6)
- Non-current assets	–	(44.1)	–	(37.0)
- Current liabilities	31.6	44.9	29.7	37.9
- Non-current liabilities	33.3	83.9	33.3	75.1
	64.9	75.8	63.0	69.4

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

	The Group				The Company	
	Statement of financial position		Profit and loss		Statement of financial position	
	31 March				31 March	
	2020	2019	FY2019/20	FY2018/19	2020	2019
The deferred taxation arises as a result of:						
Deferred tax liabilities						
Differences in depreciation	2,292.1	2,003.3	(1.9)	142.6	1,862.3	1,686.9
Revaluation to fair value						
- fuel hedging contracts	—	117.0	—	—	—	97.2
- currency hedging contracts	12.4	1.7	—	—	10.8	1.3
- cross currency swap contracts	—	25.5	—	—	—	25.4
- interest rate swap contracts	4.3	—	—	—	4.3	—
Other temporary differences	21.7	20.4	(6.8)	1.4	12.2	16.8
Gross deferred tax liabilities	2,330.5	2,167.9	(8.7)	144.0	1,889.6	1,827.6
Deferred tax assets						
Unabsorbed capital allowances and tax losses	(78.6)	(2.1)	(77.6)	(0.6)	(40.0)	—
Lease liabilities	(315.4)	—	42.2	—	(161.5)	—
Revaluation to fair value						
- fuel hedging contracts	(438.7)	(24.2)	—	—	(352.3)	(23.2)
- currency hedging contracts	(0.9)	(0.9)	—	—	(0.9)	(0.8)
- cross currency swap contracts	(0.5)	(26.8)	—	—	(0.5)	(25.8)
- interest rate swap contracts	(21.7)	(2.4)	—	—	(18.2)	(2.1)
Other temporary differences	(139.4)	(71.2)	(10.3)	(13.2)	(24.0)	(25.5)
Gross deferred tax assets	(995.2)	(127.6)	(45.7)	(13.8)	(597.4)	(77.4)
Net deferred tax liabilities	1,335.3	2,040.3			1,292.2	1,750.2
Deferred tax charged to profit and loss			(54.4)	130.2		
Deferred tax charged to equity	(652.9)	22.1			(469.1)	28.3

At the end of the reporting period, deferred tax liability of \$0.6 million (2019: \$0.7 million) has been recognised for taxes that would be payable on the undistributed earnings of one of the Group's subsidiary companies.

For the other subsidiary companies of the Group, no deferred tax liability has been recognised as the Group has determined that undistributed earnings of these subsidiary companies will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognised aggregate to \$11.2 million (2019: \$11.2 million). The deferred tax liability is estimated to be \$3.4 million (2019: \$3.3 million).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

18 Borrowings (in \$ million)

	The Group 31 March		The Company 31 March	
	2020	2019	2020	2019
<u>Current Liabilities - Borrowings</u>				
Notes payable	500.0	—	500.0	—
Loans	2,161.0	231.1	2,101.1	159.8
	2,661.0	231.1	2,601.1	159.8
<u>Non-current Liabilities - Borrowings</u>				
Notes payable	3,877.6	4,377.0	3,877.6	4,377.0
Loans	3,285.3	2,046.3	2,932.7	1,596.6
	7,162.9	6,423.3	6,810.3	5,973.6

Notes payable

Notes payable as at 31 March 2020 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 2020		31 March 2019	
				Face Value	Carrying value	Face Value	Carrying value
SGD5 Billion Multicurrency Medium Term Note Programme							
001	SGD	3.22%	2020	500.0	500.0	500.0	500.0
002	SGD	3.145%	2021	200.0	200.0	200.0	200.0
003	SGD	3.75%	2024	300.0	300.0	300.0	300.0
004	SGD	3.13%	2026	630.0*	632.0	630.0*	632.3
005	SGD	3.035%	2025	700.0	699.2	700.0	699.0
006	SGD	3.13%	2027	700.0	698.9	700.0	698.8
007	SGD	3.16%	2023	600.0	599.3	600.0	599.2
SGD2 Billion Medium Term Bond Programme							
001	SGD	3.03%	2024	750.0	748.2	750.0	747.7
				4,380.0	4,377.6	4,380.0	4,377.0

* Comprised \$430 million in aggregate principal amount issued on 17 November 2016 and \$200 million in aggregate principal amount issued on 17 October 2017 that was consolidated into Series 004.

18 Borrowings (in \$ million) (continued)

Loans

The Group

Type	Currency	Interest rate per annum	Year of maturity	31 March 2020		31 March 2019	
				Face Value	Carrying value	Face Value	Carrying value
Fixed Rate (Post interest rate and cross currency swaps)							
Secured bank loan	SGD	2.86%	2028	780.7	779.0	860.7	858.6
Secured bank loan	SGD	2.92%	2028	396.0	393.3	444.0	441.0
Secured bank loan	SGD	2.62%	2029	820.2	818.4	900.0	897.8
Secured bank loan	SGD	0.34%	2029	146.3	145.9	–	–
Secured bank loan	SGD	0.35%	2029	146.6	146.4	–	–
Secured bank loan	SGD	2.92% - 4.11%	2024	–	–	63.4	59.4
Secured bank loan	EUR	0.46%	2029	152.8	152.4	–	–
Secured bank loan	EUR	0.65% - 0.68%	2029-2030	928.4	926.1	–	–
Secured bank loan	JPY	0.41%	2029	294.6	293.8	–	–
Unsecured bank loan	SGD	0.71% - 1.53%	2020	1,400.0	1,400.0	–	–
Unsecured bank loan	USD	1.30%	2020	170.9	170.9	–	–
Unsecured bank loan	EUR	0.38%	2020	200.9	200.9	–	–
Unsecured bank loan	SGD	2.03% - 2.16%	2020	1.5	1.4	1.3	1.3
Floating rate							
Revolving credit facility	USD	4.00% - 4.06%	2020	–	–	1.4	1.4
Revolving credit facility	USD	3.20%	2020	1.5	1.5	–	–
Revolving credit facility	SGD	2.26%	2020	3.0	3.0	–	–
Unsecured bank loan	USD	3.20%	2022	11.7	11.7	–	–
Unsecured bank loan	USD	4.26%	2022	–	–	17.9	17.9
Trust receipt	SGD	2.37%	2020	1.6	1.6	–	–
				5,456.7	5,446.3	2,288.7	2,277.4

The Company

Type	Currency	Interest rate per annum	Year of maturity	31 March 2020		31 March 2019	
				Face Value	Carrying value	Face Value	Carrying value
Fixed Rate (Post interest rate and cross currency swaps)							
Secured bank loan	SGD	2.86%	2028	780.7	779.0	860.7	858.6
Secured bank loan	SGD	2.62%	2029	820.2	818.4	900.0	897.8
Secured bank loan	SGD	0.34%	2029	146.3	145.9	—	—
Secured bank loan	SGD	0.35%	2029	146.6	146.4	—	—
Fixed rate							
Secured bank loan	EUR	0.46%	2029	152.8	152.4	—	—
Secured bank loan	EUR	0.65% - 0.68%	2029-2030	928.4	926.1	—	—
Secured bank loan	JPY	0.41%	2029	294.6	293.8	—	—
Unsecured bank loan	SGD	0.71% - 1.53%	2020	1,400.0	1,400.0	—	—
Unsecured bank loan	USD	1.30%	2020	170.9	170.9	—	—
Unsecured bank loan	EUR	0.38%	2020	200.9	200.9	—	—
				5,041.4	5,033.8	1,760.7	1,756.4

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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

	The Group 31 March		The Company 31 March	
	2020	2019	2020	2019
Maintenance reserve	28.2	19.9	28.2	19.9
Derivative liabilities (refer to note 41)	1,847.5	69.2	1,832.5	65.1
	1,875.7	89.1	1,860.7	85.0

20 Provisions (in \$ million)

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

An analysis of the provisions is as follows:

	The Group			
	Return costs for leased aircraft	Onerous leases	Others	Total
Balance at 1 April 2018	1,100.8	16.5	73.3	1,190.6
Provision during the year	279.6	9.3	29.6	318.5
Provision written back during the year	(20.7)	–	–	(20.7)
Provision utilised during the year	(324.6)	(8.2)	(17.4)	(350.2)
Balance at 31 March 2019	1,035.1	17.6	85.5	1,138.2
Current	393.8	7.9	34.0	435.7
Non-current	641.3	9.7	51.5	702.5
	1,035.1	17.6	85.5	1,138.2
Balance at 1 April 2019	1,035.1	17.6	85.5	1,138.2
Effects of adopting IFRS 16	354.6	(9.7)	(25.8)	319.1
Provision during the year	191.3	–	19.9	211.2
Provision written back during the year	(30.0)	–	(1.2)	(31.2)
Provision utilised during the year	(241.6)	(3.5)	(37.5)	(282.6)
Balance at 31 March 2020	1,309.4	4.4	40.9	1,354.7
Current	343.8	4.4	15.8	364.0
Non-current	965.6	–	25.1	990.7
	1,309.4	4.4	40.9	1,354.7

20 Provisions (in \$ million) (continued)

An analysis of the provisions is as follows: (continued)

	The Company		
	Return costs for leased aircraft	Others	Total
Balance at 1 April 2018	833.1	69.4	902.5
Provision during the year	154.0	27.8	181.8
Provision utilised during the year	(272.0)	(16.9)	(288.9)
Balance at 31 March 2019	715.1	80.3	795.4
Current	334.5	31.1	365.6
Non-current	380.6	49.2	429.8
	715.1	80.3	795.4
Balance at 1 April 2019	715.1	80.3	795.4
Effects of adopting IFRS 16	–	(25.8)	(25.8)
Provision during the year	64.1	17.5	81.6
Provision utilised during the year	(200.6)	(35.8)	(236.4)
Balance at 31 March 2020	578.6	36.2	614.8
Current	293.1	13.4	306.5
Non-current	285.5	22.8	308.3
	578.6	36.2	614.8

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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

The Group

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2018	13,911.0	585.5	288.8
Additions	145.9	32.4	40.9
Transfers	5,630.0	0.4	(8.8)
Disposals of a subsidiary company	–	–	–
Disposals	(1,008.4)	(35.3)	(5.4)
Write-off	–	–	–
Exchange differences	–	0.2	–
At 31 March 2019	18,678.5	583.2	315.5
Effects of adopting IFRS 16	35.5	–	–
Additions	216.6	37.5	19.9
Transfers	5,040.2	3.5	(1.1)
Transfer to assets held for sale	–	(58.8)	–
Disposals	(441.3)	(14.7)	(13.1)
Exchange differences	45.0	0.3	–
At 31 March 2020	23,574.5	551.0	321.2
Accumulated depreciation and impairment losses			
At 1 April 2018	2,792.4	321.0	121.8
Depreciation	1,194.7	24.9	14.5
Impairment losses	–	2.3	–
Transfers	9.2	–	(9.2)
Disposal of a subsidiary company	–	–	–
Disposals	(812.6)	(7.3)	(1.5)
Exchange differences	–	0.1	–
At 31 March 2019	3,183.7	341.0	125.6
Effects of adopting IFRS 16	(5.7)	–	–
Depreciation	1,547.6	23.9	23.2
Impairment losses	–	14.2	–
Transfers	–	–	–
Transfer to assets held for sale	–	(42.7)	–
Disposals	(131.0)	(8.3)	(9.9)
Exchange differences	–	0.2	–
At 31 March 2020	4,594.6	328.3	138.9
Net book value			
At 31 March 2019	15,494.8	242.2	189.9
At 31 March 2020	18,979.9	222.7	182.3



Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
15.7	135.9	631.1	786.0	313.5	6,153.8	22,821.3
—	—	0.4	23.6	11.2	5,350.3	5,604.7
—	—	0.1	8.9	9.9	(5,640.5)	—
—	—	—	(2.0)	(0.4)	—	(2.4)
—	(0.5)	—	(121.1)	(9.9)	—	(1,180.6)
—	—	—	—	—	(35.3)	(35.3)
—	—	1.4	1.4	0.2	—	3.2
15.7	135.4	633.0	696.8	324.5	5,828.3	27,210.9
—	—	—	—	—	61.6	97.1
—	—	0.9	16.6	14.8	4,905.5	5,211.8
—	—	(0.1)	58.4	13.6	(5,114.5)	—
—	—	—	—	—	—	(58.8)
—	—	(2.3)	(45.9)	(6.0)	(0.1)	(523.4)
—	—	2.3	2.8	0.2	0.1	50.7
15.7	135.4	633.8	728.7	347.1	5,680.9	31,988.3
—	122.1	477.1	554.1	263.6	—	4,652.1
—	2.9	12.0	57.3	21.6	—	1,327.9
—	—	—	—	—	—	2.3
—	—	—	—	—	—	—
—	—	—	(1.2)	(0.3)	—	(1.5)
—	(0.5)	—	(115.7)	(9.8)	—	(947.4)
—	—	0.3	0.7	0.1	—	1.2
—	124.5	489.4	495.2	275.2	—	5,034.6
—	—	—	—	—	—	(5.7)
—	2.9	12.0	69.2	22.5	—	1,701.3
—	—	—	—	—	—	14.2
—	—	(0.1)	—	0.1	—	—
—	—	—	—	—	—	(42.7)
—	—	(2.2)	(44.9)	(5.9)	—	(202.2)
—	—	0.6	2.0	0.2	—	3.0
—	127.4	499.7	521.5	292.1	—	6,502.5
15.7	10.9	143.6	201.6	49.3	5,828.3	22,176.3
15.7	8.0	134.1	207.2	55.0	5,680.9	25,485.8

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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

The Company

	Aircraft	Aircraft spares	Aircraft spare engines
Cost			
At 1 April 2018	10,024.6	384.5	95.3
Effects of integration of SIA Cargo	198.2	19.9	6.0
Additions	140.5	29.0	41.0
Transfers	4,972.1	–	(18.2)
Disposals	(891.3)	(29.2)	(5.4)
At 31 March 2019	14,444.1	404.2	118.7
Additions	214.3	27.5	19.9
Transfers	4,575.1	–	(14.9)
Disposals	(305.7)	(9.7)	(13.1)
Exchange differences	26.7	–	–
At 31 March 2020	18,954.5	422.0	110.6
Accumulated depreciation and impairment losses			
At 1 April 2018	1,948.0	216.1	30.2
Depreciation	978.8	12.2	7.2
Transfers	9.2	–	(9.2)
Disposals	(726.2)	(4.7)	(1.5)
At 31 March 2019	2,209.8	223.6	26.7
Depreciation	1,307.0	12.5	15.0
Impairment losses	–	9.9	–
Disposals	(112.6)	(4.7)	(9.9)
At 31 March 2020	3,404.2	241.3	31.8
Net book value			
At 31 March 2019	12,234.3	180.6	92.0
At 31 March 2020	15,550.3	180.7	78.8

Freehold land	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office and computer equipment	Advance and progress payments	Total
15.7	135.9	332.3	444.2	229.6	5,148.4	16,810.5
			11.9	0.4	–	236.4
–	–	–	5.8	7.8	4,478.2	4,702.3
–	–	–	7.7	5.5	(4,967.1)	–
–	(0.5)	–	(111.0)	(5.2)	(59.6)	(1,102.2)
15.7	135.4	332.3	358.6	238.1	4,599.9	20,647.0
–	–	–	2.5	13.1	4,362.5	4,639.8
–	–	–	47.8	8.5	(4,616.5)	–
–	–	(2.2)	(30.1)	(4.6)	(50.5)	(415.9)
–	–	–	–	–	–	26.7
15.7	135.4	330.1	378.8	255.1	4,295.4	24,897.6
–	122.1	318.0	290.9	202.9	–	3,128.2
–	2.9	1.8	36.2	12.0	–	1,051.1
–	–	–	–	–	–	–
–	(0.5)	–	(105.8)	(5.1)	–	(843.8)
–	124.5	319.8	221.3	209.8	–	3,335.5
–	2.9	1.8	48.0	13.3	–	1,400.5
–	–	–	–	–	–	9.9
–	–	(2.0)	(30.1)	(4.6)	–	(163.9)
–	127.4	319.6	239.2	218.5	–	4,582.0
15.7	10.9	12.5	137.3	28.3	4,599.9	17,311.5
15.7	8.0	10.5	139.6	36.6	4,295.4	20,315.6

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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

Assets leased out as operating leases

	The Group and the Company	
	31 March	
	2020	2019
Net book value of property, plant and equipment leased out as operating leases:		
- aircraft	83.1	—
	83.1	—

Assets held as security

The Company's aircraft with carrying amount of \$3,282.5 million (2019: \$1,545.5 million) are pledged as security to the banks.

In the previous financial year, Tiger Airways Holdings Pte Ltd's ("TAH") aircraft with carrying amount of \$106.1 million were mortgaged to the banks under European Export Credit Agency financing. The loans were fully repaid in FY2019/20.

Scoot Tigerair Pte. Ltd.'s aircraft with carrying amount of \$442.0 million (2019: \$467.8 million) are pledged as security to the banks.

SilkAir (Singapore) Private Limited's ("SilkAir") spare engines with carrying amounts of \$11.1 million (2019: \$12.0 million) are pledged as security for the amounts owed to the original equipment manufacturer and service credits issued to SilkAir.

Reclassification to assets held for sale

During the year, certain aircraft spares were classified as held for sale as the Group had decided to sell these aircraft spares following the cessation of certain inventory management contracts. The sale is expected to be completed within one year.

	The Group
Balance as at 1 April 2019	—
Reclassification from property, plant and equipment	16.1
Disposal during the year	(1.9)
Balance as at 31 March 2020	14.2

Impairment of aircraft spares

In FY2019/20, the carrying amounts of the aircraft spares exceeded the recoverable amounts and the Group recognised an impairment loss of \$14.2 million (FY2018/19: \$2.3 million) on its aircraft spares. The amount in FY2018/19 was part of the reflecting and restructuring costs classified as a non-operating item (refer to note 9).

Impairment test

In light of the Covid-19 pandemic and its detrimental effect on the travel industry caused by global travel restrictions and border controls, the Group's significant reduction in its capacity has led to a deterioration to its profits and cash flows. Management has determined that this event is an indicator that the Property, Plant and Equipment and Intangible Assets may be impaired. Management's impairment test included the following CGUs:

Full Service Carrier ("FSC") CGU

The recoverable amount of the FSC CGU has been determined based on value-in-use calculations using cash flow projections from financial forecasts approved by Management covering a five-year period. The financial forecasts which were approved include Management's planned recovery from Covid-19 related global travel restrictions and border controls. The post-tax discount rate applied to cash flow projections is 7.0% and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period is 4.5%.

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

Low-Cost Carrier ("LCC") CGU

The recoverable amount of the CGU has been determined based on value-in-use calculations using cash flow projections from financial forecasts approved by Management covering a six-year period (2019: three-year period). The financial forecasts which were approved include Management's planned recovery from Covid-19 related global travel restrictions and border controls. The six-year period reflects the CGU's steady state of operations arising from the significant committed capital expenditure of the CGU in the forecast period. The post-tax discount rate applied to cash flow projections is 7.0% (2019: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the six-year period (2019: three-year period) is 5.5% (2019: 4.5%).

Sensitivity Analysis

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

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

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

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

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 2019	1,524.1	26.4	152.7	3.1	0.2	1,706.5
Additions	106.8	–	99.0	0.6	0.1	206.5
Reassessment and modifications	3.8	(0.1)	(6.1)	–	–	(2.4)
Depreciation	(357.1)	(8.8)	(65.8)	(1.1)	(0.1)	(432.9)
At 31 March 2020	1,277.6	17.5	179.8	2.6	0.2	1,477.7

The Company

	Aircraft	Aircraft spare engines	Leasehold land and buildings	Plant and equipment	Total
At 1 April 2019	802.2	24.5	109.4	–	936.1
Additions	–	–	68.2	0.4	68.6
Reassessment and modifications	–	–	(4.9)	–	(4.9)
Depreciation	(194.8)	(7.6)	(51.7)	(0.1)	(254.2)
Novation from a subsidiary company	–	–	0.1	–	0.1
At 31 March 2020	607.4	16.9	121.1	0.3	745.7

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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 2018	170.4	75.9	25.0	606.2	61.8	26.7	966.0
Additions	14.0	–	–	41.4	10.3	47.3	113.0
Disposals	–	–	–	(2.2)	(34.2)	–	(36.4)
Transfers	–	–	–	48.4	–	(48.4)	–
Disposal of a subsidiary company	–	–	–	(4.3)	–	–	(4.3)
Write-off	–	–	–	(6.9)	–	–	(6.9)
Exchange differences	–	–	–	–	2.5	–	2.5
At 31 March 2019	184.4	75.9	25.0	682.6	40.4	25.6	1,033.9
Additions	–	–	–	45.3	3.1	43.2	91.6
Disposals	–	–	–	(7.8)	–	–	(7.8)
Transfers	–	–	–	25.0	–	(25.0)	–
Exchange differences	–	–	–	0.1	2.3	–	2.4
At 31 March 2020	184.4	75.9	25.0	745.2	45.8	43.8	1,120.1
Accumulated amortisation and impairment losses							
At 1 April 2018	–	75.9	25.0	426.5	3.3	–	530.7
Amortisation	–	–	–	60.0	1.9	–	61.9
Disposals	–	–	–	(2.1)	–	–	(2.1)
Disposal of a subsidiary company	–	–	–	(4.3)	–	–	(4.3)
Write-off	–	–	–	(3.8)	–	–	(3.8)
Exchange differences	–	–	–	–	0.2	–	0.2
At 31 March 2019	–	75.9	25.0	476.3	5.4	–	582.6
Amortisation	–	–	–	55.9	1.6	–	57.5
Disposals	–	–	–	(7.8)	–	–	(7.8)
Exchange differences	–	–	–	0.1	0.7	–	0.8
At 31 March 2020	–	75.9	25.0	524.5	7.7	–	633.1
Net book value							
At 31 March 2019	184.4	–	–	206.3	35.0	25.6	451.3
At 31 March 2020	184.4	–	–	220.7	38.1	43.8	487.0

Goodwill

In FY2018/19, the addition to goodwill was due to the changes in ownership interests in KrisShop Pte Ltd ("KrisShop"). Further details are disclosed in note 24(f).

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

The Company

	Computer software and others	Advance and progress payments	Total
Cost			
At 1 April 2018	504.3	19.1	523.4
Effects of integration of SIA Cargo	1.6	0.2	1.8
Additions	32.3	31.4	63.7
Disposals	(0.2)	–	(0.2)
Transfers	39.6	(39.6)	–
At 31 March 2019	577.6	11.1	588.7
Additions	31.2	37.4	68.6
Disposals	(6.9)	–	(6.9)
Transfers	17.1	(17.1)	–
At 31 March 2020	619.0	31.4	650.4
Accumulated amortisation			
At 1 April 2018	343.6	–	343.6
Amortisation	51.2	–	51.2
Disposals	(0.2)	–	(0.2)
At 31 March 2019	394.6	–	394.6
Amortisation	46.1	–	46.1
Disposals	(6.9)	–	(6.9)
At 31 March 2020	433.8	–	433.8
Net book value			
At 31 March 2019	183.0	11.1	194.1
At 31 March 2020	185.2	31.4	216.6

Impairment testing of goodwill, brand and trademarks

The goodwill acquired through the acquisition of TAH has an indefinite useful life and is included in the LCC CGU. Please refer to note 21 for the impairment assessment of the LCC CGU.

24 Subsidiary Companies (in \$ million)

	The Company 31 March	
	2020	2019
Investment in subsidiary companies	3,417.9	3,409.6
Accumulated impairment losses	(52.7)	(52.7)
Effects of integration of SIA Cargo	(1,405.0)	(1,405.0)
	1,960.2	1,951.9
Long-term loans to subsidiary companies	2,224.5	1,649.5
Amount owing by a subsidiary company	598.5	–
Accumulated impairment loss	(13.3)	(10.2)
	4,769.9	3,591.2

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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

During the financial year:

1. SIA incorporated a wholly-owned subsidiary company, Encounters Pte. Ltd. ("EPL") on 29 August 2019. As at 31 March 2020, SIA had a total capital contribution in EPL of \$2.0 million.
2. The Company injected approximately \$2.3 million in KrisShop Pte Ltd. ("KrisShop"). There was no change in the Group's 70% equity stake in KrisShop after the capital injection.
3. The 100% equity stake in Tradewinds Tours and Travel Private Limited was transferred from SilkAir to the Company at \$4.0 million.

(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 2020	2019
SIA Engineering Company Limited⁽¹⁾ and its subsidiaries	Engineering services	Singapore	77.7	77.7
NexGen Network (1) Holding Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	77.7	77.7
NexGen Network (2) Holding Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	77.7	77.7
SIAEC Global Private Limited ⁽¹⁾	Investment holding	Singapore	77.7	77.7
SIA Engineering (USA), Inc. ⁽⁴⁾	Provide aircraft maintenance services, including technical and non-technical handling at the airport	United States of America	77.7	77.7
SIA Engineering Japan Corporation ⁽⁵⁾	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Japan	77.7	77.7
Singapore Aero Support Services Pte. Ltd. ⁽¹⁾	Maintenance, repair and overhaul of aircraft and cabin components/systems	Singapore	77.7	77.7
Heavy Maintenance Singapore Services Pte. Ltd. ⁽¹⁾	Provide airframe maintenance component overhaul services	Singapore	50.5	50.5
SIA Engineering (Philippines) Corporation ⁽²⁾	Provide airframe maintenance component overhaul services	Philippines	50.5	50.5
Additive Flight Solutions Pte. Ltd. ^{(1)*}	Additive manufacturing of aircraft cabin parts and tooling for the aerospace industry	Singapore	46.6	46.6
Aerospace Component Engineering Services Pte. Limited ^{(1)*}	Repair and overhaul of hydro-mechanical equipment for Boeing and Airbus aircraft	Singapore	39.6	39.6
Aviation Partnership (Philippines) Corporation ^{(2)*}	Provide aircraft maintenance services including technical and non-technical handling at the airport	Philippines	39.6	39.6

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	
			2020	2019
Budget Aviation Holdings Pte. Ltd.⁽¹⁾ and its subsidiaries	Investment holding	Singapore	100.0	100.0
Tiger Airways Holdings Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100.0	100.0
Scot Tigerair Pte. Ltd. ⁽¹⁾	Air transportation	Singapore	100.0	100.0
Roar Aviation Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100.0	100.0
Simple Holidays Pte.Ltd. ⁽¹⁾	Reservation service activities	Singapore	100.0	100.0
Cargo Community Network Pte Ltd⁽¹⁾ and its subsidiary	Providing and marketing of cargo community system	Singapore	51.0	51.0
Cargo Community (Shanghai) Co. Ltd. ⁽³⁾⁺	Marketing and support of portal services for the air cargo industry	People's Republic of China	51.0	51.0
Encounters Pte. Ltd. ⁽¹⁾	Travel booking and related services through an online portal	Singapore	100.0	–
SilkAir (Singapore) Private Limited ⁽¹⁾	Air transportation	Singapore	100.0	100.0
Singapore Airlines Cargo Pte Ltd ⁽¹⁾	Inactive	Singapore	100.0	100.0
Singapore Aviation and General Insurance Company (Pte) Limited ⁽¹⁾	Aviation insurance	Singapore	100.0	100.0
Singapore Flying College Pte Ltd ⁽¹⁾	Training of pilots	Singapore	100.0	100.0
Sing-Bi Funds Private Limited ⁽¹⁾	Investment holding	Singapore	100.0	100.0
Tradewinds Tours & Travel Private Limited ⁽¹⁾	Tour wholesaling	Singapore	100.0	100.0
KrisShop Pte. Ltd. ⁽¹⁾	Travel-related retail operations	Singapore	70.0	70.0

⁽¹⁾ Audited by KPMG LLP, Singapore

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

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

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

⁽⁵⁾ Not required to be audited in the current financial year

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

+ Financial year end 31 December

Special purpose entities ("SPEs")

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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

(a) Composition of the Group (continued)

Special purpose entities ("SPEs") (continued)

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.

(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	
	2020	2019
Proportion of ownership interest held by NCI	22.3%	22.3%
Profit allocated to NCI during the reporting period	40.0	35.9
Accumulated NCI at the end of reporting period	396.1	375.7
Dividends paid to NCI	28.8	32.9

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

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

Summarised statement of financial position

	SIA Engineering Company Group of Companies 31 March	
	2020	2019
<u>Current</u>		
Assets	998.1	965.0
Liabilities	(240.8)	(245.5)
Net current assets	757.3	719.5
<u>Non-current</u>		
Assets	1,007.4	880.2
Liabilities	(103.7)	(35.7)
Net non-current assets	903.7	844.5
Net assets	1,661.0	1,564.0

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

(d) Summarised statement of comprehensive income of subsidiary company with material NCI

	SIA Engineering Company Group of Companies	
	FY2019/20	FY2018/19
Revenue	994.1	1,020.9
Profit before tax	204.5	179.1
Taxation	(14.0)	(18.1)
Profit after tax	190.5	161.0
Other comprehensive income	26.9	17.0
Total comprehensive income	217.4	178.0

(e) Other summarised information about subsidiary company with material NCI

	SIA Engineering Company Group of Companies	
	FY2019/20	FY2018/19
Net cash flow from operations	91.0	75.4
Acquisition of significant property, plant and equipment	(36.8)	(25.0)

(f) Changes in ownership interests in a subsidiary company - KrisShop

FY2018/19

On 23 November 2018, 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. SIA invested approximately \$24.9 million in KrisShop and holds 70% stake after the business combination.

(i) Fair value of identifiable assets

The following table summarises the recognised amounts of assets acquired and at the date of acquisition:

	FY2018/19
Inventories	14.8
Plant and equipment	0.3
Software	1.6
	16.7
Goodwill	14.0
Total cash consideration transferred	30.7

(ii) Measurement of fair values

The book values of identifiable assets acquired approximate fair value.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

25 Associated Companies (in \$ million)

	The Group 31 March		The Company 31 March	
	2020	2019	2020	2019
Investment in associated companies	828.9	1,116.4	905.3	764.6
Accumulated impairment losses	(11.9)	(11.9)	(785.0)	(209.4)
	817.0	1,104.5	120.3	555.2

During the financial year:

- The Company injected \$140.7 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. Management performed an impairment test for the investment in TATA-SIA, which had been incurring losses historically. An impairment loss of \$231.8 million was recognised by the Company to write down the cost of investment to its estimated recoverable amount.
- Management performed an impairment review for the investment in Virgin Australia Holdings Limited ("VAH"), which has been incurring losses. The Covid-19 pandemic has a significant impact on VAH operations. On 31 March 2020, VAH announced that it had requested financial support from the Australian Government. Subsequently, on 21 April 2020, VAH announced that it has entered voluntary administration. An impairment loss of \$343.8 million was recognised by the Company to write down the cost of investment in VAH to zero.
- Ritz-Carlton, Millenia Singapore Properties Private Limited recorded a revaluation gain of \$65.3 million from its annual revaluation exercise of its land and building. The Group's share of the revaluation gain of \$13.1 million as at 31 March 2020 is included under the share of post-acquisition capital reserve.
- SIAEC liquidated International Aerospace Tubes-Asia Pte. Ltd. ("IAT"). A loss on disposal of \$0.2 million was recorded in the profit or loss and IAT ceased to be an associated company.
- SIAEC invested approximately \$0.3 million in Line Maintenance Partnership (Thailand) Company Limited.
- SIAEC invested approximately \$7,000 in GE Aviation, Overhaul Services - Singapore Pte. Ltd..

The associated companies are:

			Percentage of equity held by the Group	
		Country of incorporation and place of business	31 March	
	Principal activities		2020	2019
<u>Held by the Company</u>				
TATA SIA Airlines Limited ⁽⁵⁾	Domestic and International full service scheduled passenger airlines services	India	49.0	49.0
Airbus Asia Training Centre Pte. Ltd. ^{(6)(c)}	Flight training services	Singapore	45.0	45.0
Virgin Australia Holdings Limited ^{(2)(a)}	Air transportation	Australia	20.0	20.0
Ritz-Calton, Millenia Singapore Properties Private Limited ^{(3)(c)}	Hotel ownership and management	Singapore	20.0	20.0

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

			Percentage of equity held by the Group	
		Country of incorporation and place of business	31 March	
	Principal activities		2020	2019
<u>Held by SIAEC</u>				
Boeing Asia Pacific Aviation Services Pte. Ltd. ^{(4)(c)}	Provide engineering, material management and fleet support solutions	Singapore	38.1	38.1
Eagle Services Asia Private Limited ^{(3)(c)}	Repair and overhaul of aircraft engines	Singapore	38.1	38.1
Fuel Accessory Service Technologies Pte Ltd ^{(3)(b)}	Repair and overhaul of engine fuel components and accessories	Singapore	38.1	38.1
GE Aviation, Overhaul Services – Singapore Pte. Ltd ^{(13)(c)}	Repair and servicing of aircraft and spacecraft (including aircraft engines and other parts)	Singapore	38.1	–
Line Maintenance Partnership (Thailand) Company Limited ^{(13)(c)}	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Thailand	38.1	–
Moog Aircraft Services Asia Pte. Ltd. ⁽⁶⁾	Repair and overhaul services for flight control systems	Singapore	38.1	38.1
PT JAS Aero-Engineering Services ^{(9)(c)}	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Indonesia	38.1	38.1
Southern Airports Aircraft Maintenance Services Company Limited ^{(5)(c)}	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Vietnam	38.1	38.1
Component Aerospace Singapore Pte. Ltd. ^{(3)(b)}	Repair and overhaul of aircraft engine combustion chambers, guides, fuel nozzles and related parts	Singapore	36.1	36.1
JAMCO Aero Design & Engineering Private Limited ⁽¹²⁾	Providing turnkey solutions for aircrafts interior modifications	Singapore	35.0	35.0
Panasonic Avionic Services Singapore Pte. Ltd. ⁽¹⁾	Provide line maintenance and repair services of in-flight entertainment systems	Singapore	33.0	33.0
Goodrich Aerostructures Service Centre-Asia Pte. Ltd. ^{(3)(c)}	Repair and overhaul of aircraft nacelles, thrust reserves and pylons	Singapore	31.1	31.1
Pan Asia Pacific Aviation Services Limited ⁽⁸⁾	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Hong Kong	31.1	31.1

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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

	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group	
			31 March 2020	31 March 2019
Safran Electronics & Defense Services Asia Pte. Ltd. ^{(10)(c)}	Provide avionics maintenance, repair and overhaul services	Singapore	31.1	31.1
Safran Landing Systems Services Singapore Pte. Ltd. ^{(10)(c)}	Repair and overhaul of Boeing and Airbus series landing gears	Singapore	31.1	31.1
Asian Surface Technologies Pte Ltd ^{(7)(c)}	Repair and overhaul of aircraft engine fan blades	Singapore	30.5	30.5
Turbine Coating Services Pte Ltd ^{(3)(b)*}	Repair and overhaul of aircraft engine turbine airfoils	Singapore	19.0	19.0
International Aerospace Tubes-Asia Pte. Ltd. ^{(3)(c)}	Repair of tubes, ducts and manifolds for aircraft engines and airframe application	Singapore	—	25.9
<u>Held by Scoot Tigerair</u>				
Air Black Box Asia Pacific Pte. Ltd. ^{(11)(c)**}	Provision of support services to air transportation	Singapore	13.0	13.0

⁽¹⁾ Audited by KPMG LLP, Singapore

⁽²⁾ Audited by member firms of KPMG International

⁽³⁾ Audited by PricewaterhouseCoopers LLP, Singapore

⁽⁴⁾ Audited by Deloitte & Touche, Singapore

⁽⁵⁾ Audited by member firms of Deloitte & Touche

⁽⁶⁾ Audited by Ernst & Young LLP, Singapore

⁽⁷⁾ Audited by RSM Chio Lim, Singapore

⁽⁸⁾ Audited by BDO Limited, Hong Kong

⁽⁹⁾ Audited by Ernst & Young LLP, Indonesia

⁽¹⁰⁾ Audited by Mazars LLP, Singapore

⁽¹¹⁾ Audited by Wong, Lee & Associates LLP

⁽¹²⁾ Audited by Grant Thornton LLP, Singapore

⁽¹³⁾ Not required to be audited in the current financial year

^(a) Financial year end 30 June

^(b) Financial year end 30 November

^(c) Financial year end 31 December

* The Group has significant influence in these entities through its holdings in SIAEC

** The Group has significant influence by virtue of the board representation

The carrying amounts of the investment in associated companies are as follows:

	The Group	
	31 March 2020	31 March 2019
Virgin Australia Holdings Limited	—	314.8
TATA-SIA	77.8	137.9
Eagle Services Asia Private Limited ("ESA")	228.4	189.0
Other associated companies	510.8	462.8
	817.0	1,104.5

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

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

The Group has three (2019: two) associated companies that are material and a number of associated companies that are individually immaterial to the Group. The following summarises the financial information of each of the Group's material associated companies based on their respective (consolidated) financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisitions and differences in the Group's accounting policies.

Summarised statement of financial position

	VAH 31 March		TATA-SIA 31 March		ESA 31 March	
	2020	2019	2020	2019	2020	2019
Current assets	1,303.6	1,626.0	225.9	188.6	657.5	425.3
Non-current assets	4,650.7	4,188.5	1,638.6	318.8	162.2	140.6
Total assets	5,954.3	5,814.5	1,864.5	507.4	819.7	565.9
Current liabilities	(2,429.0)	(2,831.2)	(191.4)	(114.2)	(331.3)	(163.2)
Non-current liabilities	(4,929.6)	(2,028.6)	(1,514.3)	(111.8)	(22.2)	(17.0)
Total liabilities	(7,358.6)	(4,859.8)	(1,705.7)	(226.0)	(353.5)	(180.2)
Net assets	(1,404.3)	954.7	158.8	281.4	466.2	385.7
Share of net assets	(281.4)	190.2	77.8	137.9	228.4	189.0

Summarised statement of comprehensive income

	VAH		TATA-SIA		ESA	
	FY2019/20	FY2018/19	FY2019/20	FY2018/19	FY2019/20	FY2018/19
(Loss)/Profit after tax	(281.8)	(499.5)	(349.0)	(161.5)	86.1	73.2
Other comprehensive income	(3.4)	(16.9)	–	–	–	–
Total comprehensive income	(285.2)	(516.4)	(349.0)	(161.5)	86.1	73.2

Dividends of approximately \$13.3 million (FY2018/19: \$27.6 million) were received from ESA during the financial year.

The Group's carrying amount of VAH has been capped at zero. Losses totalling \$36.8 million and other comprehensive income of \$137.5 million of VAH have not been recognised because the Group has no obligation in respect of its losses.

In the previous financial year, the Group's carrying amount of VAH amounted to \$314.8 million and included goodwill of \$117.1 million and other acquisition related adjustments of \$7.5 million. The fair value of the Group's ownership interest in VAH, which is determined based on its quoted market price and the value of other contractual arrangements exceeded its carrying amount. The fair value is classified as Level 2 under the fair value hierarchy.

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	
	FY2019/20	FY2018/19
Profit after tax	60.2	45.7
Other comprehensive income	13.1	20.8
Total comprehensive income	73.3	66.5

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

26 Joint Venture Companies (in \$ million)

	The Group 31 March		The Company 31 March	
	2020	2019	2020	2019
Investment in joint venture companies	191.5	171.7	32.3	30.6

During the financial year:

1. The Company injected \$1.7 million in Singapore CAE Flight Training Pte. Ltd. ("SCFT"). There was no change in the Group's 50% equity stake in SCFT after the capital injection.
2. TAH injected \$10.2 million in NokScoot Airlines Co., Ltd. ("NokScoot"). There was no change in the Group's 49% equity stake in NokScoot after the capital injection.

The joint venture companies are:

			Percentage of equity held by the Group	
		Country of incorporation and place of business	31 March	
	Principal activities		2020	2019
<u>Held by SIAEC</u>				
Singapore Aero Engine Services Pte Ltd ⁽¹⁾	Repair and overhaul of aircraft engines	Singapore	38.9	38.9
<u>Held by Scoot Tigerair</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.

⁽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	
	2020	2019
Singapore Aero Engine Services Pte Ltd ("SAESL")	159.2	154.7
Other joint venture companies	32.3	17.0
	191.5	171.7

The activities of SAESL are strategic to the Group's activities.

Dividends of approximately \$38.4 million (FY2018/19: \$36.3 million) were received from SAESL during the financial year.

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	
	2020	2019
Cash and short-term deposits	23.4	28.6
Other current assets	957.0	754.0
Total current assets	980.4	782.6
Non-current assets	325.0	318.7
Total assets	1,305.4	1,101.3
Current liabilities	(680.8)	(528.6)
Non-current liabilities	(306.2)	(263.3)
Total liabilities	(987.0)	(791.9)
Net assets	318.4	309.4

Summarised statement of comprehensive income

	SAESL	
	FY2019/20	FY2018/19
Revenue	2,914.5	2,113.0
Depreciation and amortisation	(30.6)	(22.3)
Interest income	0.1	0.1
Interest expense	(10.3)	(7.6)
Profit before tax	94.9	87.2
Taxation	(5.8)	(6.5)
Profit after tax	89.1	80.7
Other comprehensive income	(19.7)	(12.5)
Total comprehensive income	69.4	68.2

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	
	2020	2019
Current assets	50.7	53.8
Non-current assets	103.3	74.3
Total assets	154.0	128.1
Current liabilities	(98.8)	(74.7)
Non-current liabilities	(76.5)	(53.1)
Total liabilities	(175.3)	(127.8)
Net (liabilities)/assets	(21.3)	0.3

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

26 Joint Venture Companies (in \$ million) (continued)

The Group's share of the results is as follows:

	The Group	
	FY2019/20	FY2018/19
Profit/(Loss) after tax and total comprehensive income	3.4	(17.8)

The Group has not recognised losses totalling \$53.6 million (FY2018/19: \$16.7 million) in relation to its interests in joint venture companies because the Group has no obligation in respect of these losses.

27 Long-Term Investments (in \$ million)

	The Group 31 March		The Company 31 March	
	2020	2019	2020	2019
<u>Quoted</u>				
Non-equity investments	17.6	63.9	17.6	63.9
<u>Unquoted</u>				
Non-equity investments	—	229.9	—	229.9
Equity investments	47.6	50.1	37.2	39.7
	65.2	343.9	54.8	333.5

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

The interest rates for quoted non-equity investments range from 3.08% to 3.25% (FY2018/19: 3.01% to 4.30%) per annum.

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

	The Group 31 March		The Company 31 March	
	2020	2019	2020	2019
Deposits	119.8	127.6	—	0.1
Prepayment	10.6	13.8	—	—
Amount owing by a joint venture company	7.8	8.1	7.8	8.1
Other receivables	170.3	180.1	122.4	151.4
Derivative assets (refer to note 41)	37.2	384.1	37.2	384.1
	345.7	713.7	167.4	543.7

The Group's other receivables are stated at amortised cost and are expected to be received over a period of two to nine years.

29 Inventories (in \$ million)

	The Group 31 March		The Company 31 March	
	2020	2019	2020	2019
Technical stocks and stores	199.7	189.3	152.3	142.1
Catering and general stocks	39.6	40.6	16.1	15.5
Total inventories at lower of cost and net realisable value	239.3	229.9	168.4	157.6

The cost of inventories recognised as an expense amounted to \$151.0 million (FY2018/19: \$131.5 million).

30 Trade Debtors (in \$ million)

	The Group 31 March		The Company 31 March	
	2020	2019	2020	2019
Trade debtors	672.7	1,392.9	435.3	1,120.0
Contract assets	114.4	99.7	–	–
Amounts owing by:				
associated companies	7.6	3.5	0.7	0.2
joint venture companies	25.8	31.1	4.5	18.6
	820.5	1,527.2	440.5	1,138.8
Amounts owing by:				
subsidiary companies	–	–	200.4	3.7
	820.5	1,527.2	640.9	1,142.5

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 2020

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	
	2020	2019	2020	2019
Not past due and not impaired	748.0	1,379.6	609.5	1,049.6
Past due but not impaired	71.5	141.1	30.3	86.2
	819.5	1,520.7	639.8	1,135.8
Impaired trade debtors - collectively assessed	5.1	10.6	3.1	8.2
Less: Accumulated impairment losses	(4.1)	(4.1)	(2.0)	(1.5)
	1.0	6.5	1.1	6.7
Impaired trade debtors - individually assessed				
Customers in bankruptcy or other financial reorganisation	3.6	–	–	–
Customers who default in payment within stipulated framework of IATA Clearing House or Bank Settlement Plan	5.2	5.7	5.3	5.7
Less: Accumulated impairment losses	(8.8)	(5.7)	(5.3)	(5.7)
	–	–	–	–
Impaired amounts owing by associated companies - individually assessed	3.6	–	–	–
Impaired amounts owing by joint venture companies - individually assessed	61.6	–	57.5	–
Less: Accumulated impairment losses	(65.2)	–	(57.5)	–
	–	–	–	–
Total trade debtors, net	820.5	1,527.2	640.9	1,142.5

Included in trade and other debtors are amounts owing by related parties of \$41.5 million (2019: \$58.0 million) and \$35.1 million (2019: \$27.6 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	
	2020	2019	2020	2019
Balance at 1 April	9.8	4.2	7.2	1.7
Provided during the year for trade debtors	69.1	5.7	57.9	5.6
Written off during the year	(0.8)	(0.1)	(0.3)	(0.1)
Balance at 31 March	78.1	9.8	64.8	7.2
Bad debts written off directly to profit and loss account, net of debts recovered	1.4	0.1	0.3	(0.2)

As at 31 March 2020, the composition of trade debtors held in foreign currencies by the Group is as follows: USD – 47.3% (2019: 22.1%), AUD – 2.8% (2019: 6.9%), EUR – 3.2% (2019: 8.6%), GBP – 5.1% (2019: 4.0%) and JPY – 0.9% (2019: 2.6%).

31 Deposits and Other Debtors (in \$ million)

	The Group 31 March		The Company 31 March	
	2020	2019	2020	2019
Deposits	25.0	24.0	11.3	10.3
Other debtors	305.8	69.8	286.4	53.4
	330.8	93.8	297.7	63.7

32 Investments (in \$ million)

	The Group 31 March		The Company 31 March	
	2020	2019	2020	2019
<u>Quoted</u>				
Equity investments	0.1	–	–	–
Non-equity investments	190.7	116.8	142.6	68.5
<u>Unquoted</u>				
Non-equity investments	232.7	–	232.7	–
	423.5	116.8	375.3	68.5

The Group's non-equity investments comprised investments in government securities, corporate bonds, investment funds and money market funds. These investments are held to manage the Group's liquidity needs.

The interest rates for quoted and unquoted non-equity investments range from 0% to 5.50% (FY2018/19: 0.78% to 5.60%) and 1.00% (FY2018/19: nil) per annum respectively.

33 Cash and Bank Balances (in \$ million)

	The Group 31 March		The Company 31 March	
	2020	2019	2020	2019
Short-term deposits	1,283.5	1,623.0	1,260.6	1,582.1
Cash and bank balances	1,401.8	1,321.0	1,261.3	1,133.9
	2,685.3	2,944.0	2,521.9	2,716.0

As at 31 March 2020, the composition of cash and bank balances held in foreign currencies by the Group is as follows: USD – 20.5% (2019: 15.3%), EUR – 8.8% (2019: 0.7%), AUD – 1.6% (2019: 1.2%) and CNY – 1.8% (2019: 0.6%).

Cash at bank earns interest at floating rates based on daily bank deposit rates ranging from 0.80% to 2.55% (FY2018/19: 1.96% to 3.05%) 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 1.46% (FY2018/19: 2.28%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

34 Trade and Other Creditors (in \$ million)

	The Group 31 March		The Company 31 March	
	2020	2019	2020	2019
Trade creditors	2,924.6	3,075.2	2,205.1	2,259.7
Accrued interest	46.2	45.4	43.4	42.1
Contract liabilities	16.4	33.5	—	—
Amounts owing to associated companies	2.8	3.0	1.1	1.4
Amounts owing to joint venture companies	26.0	6.5	0.9	1.0
	3,016.0	3,163.6	2,250.5	2,304.2
Funds from subsidiary companies	—	—	830.2	606.2
Amounts owing to subsidiary companies	—	—	191.3	365.6
	—	—	1,021.5	971.8

Trade and other creditors are non-interest bearing. As at 31 March 2020, 11.6% (2019: 14.2%) 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 \$175.6 million (2019: \$233.7 million) and \$142.5 million (2019: \$177.9 million) for the Group and Company respectively.

Funds from subsidiary companies are unsecured and have varying repayment terms. Interest on funds from subsidiary companies are computed using prevailing market rates which range from 0.60% to 2.33% (FY2018/19: 1.75% to 2.30%) per annum for SGD funds, and 0.25% to 2.62% (FY2018/19: 2.34% to 3.30%) per annum for USD funds.

As at 31 March 2020, 41.0% (2019: 19.7%) 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	
	FY2019/20	FY2018/19	FY2019/20	FY2018/19
Revenue recognised that was included in the balance at the beginning of the year				
- Sales in advance of carriage	2,715.4	2,442.1	2,479.8	2,205.9
- Deferred revenue	610.9	556.1	610.9	556.1
Increases due to cash received, excluding amounts recognised as revenue during the year				
- Sales in advance of carriage	2,041.4	2,715.4	1,888.3	2,479.8
- Deferred revenue	755.8	610.9	755.8	610.9

Deferred revenue relates to KrisFlyer miles expected to be redeemed. The Group expects the majority of these miles to be redeemed within three years.

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	
	FY2019/20	FY2018/19
Purchase of property, plant and equipment	5,211.8	5,604.7
Property, plant and equipment acquired under credit terms	(44.9)	(20.0)
Interest capitalised	(63.4)	(22.4)
Cash invested in capital expenditure	5,103.5	5,562.3
Purchase of intangible assets	91.6	113.0
Intangible assets acquired under credit terms	–	(7.6)
Cash invested in purchase of intangible assets	91.6	105.4

37 Capital Expenditure Commitments (in \$ million)

The Group and the Company have commitments for capital expenditure. Such commitments aggregated \$19,895.4 million (2019: \$22,439.7 million) for the Group and \$14,406.5 million (2019: \$17,586.2 million) for the Company. The commitments relate principally to the acquisition of aircraft fleet and related equipment.

In addition, the Group's share of associated companies' and joint venture companies' commitments for capital expenditure totaled \$1,720.6 million (2019: \$1,671.1 million) and \$19.0 million (2019: \$8.9 million) respectively.

38 Leases (in \$ million)

(a) As lessee

As disclosed in note 2(b), the Group has adopted IFRS 16 on 1 April 2019. Prior to that, all the leases were classified as operating leases under IAS 17. The lease payments have been recognised as ROU assets and lease liabilities on the statement of financial position.

Aircraft

The Company leases three B777-300ERs, nine A330-300s and four A380-800s at fixed rental rates. The original lease terms range from eight to 12 years.

For flexibility in fleet planning, most leases include extension options. The extension options provide for lease renewals up to a maximum of five years. In addition, there are three early termination options that allow termination of the leases up to two years prior to original lease expiry. Sub-leasing is allowed under all the lease arrangements.

SilkAir leases two A319-100s, seven A320-200s, and nine B737-800s at fixed rental rates. The original lease terms for the two A319-100s range from 11.2 to 11.5 years, and SilkAir holds options to extend the leases for up to a maximum of three years. The original lease terms for the seven A320-200s range from 6.6 to 11.8 years, and SilkAir holds options to extend the leases up to a maximum of three years. The original lease terms for the nine B737-800s range from 9.8 to 10.5 years, and SilkAir holds options to extend the leases for up to a maximum of four years. Sub-leasing is allowed under all the lease arrangements.

As of 31 March 2020, Budget Aviation Holdings ("BAH") Group has leased 24 A320-200s and two A320neos. The lease of two A320neo aircraft were entered into during the year through sale and leaseback agreement to mitigate BAH Group's exposure to residual value risk of the aircraft. BAH Group recorded gross proceeds of \$117.2 million from the sale and leaseback. The original lease terms on the aircraft are for 12 years. None of the lease agreements confer on BAH Group 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.

During the year, BAH Group has also entered into lease agreements for 10 A321 aircraft. The lease terms on the aircraft are for 12 years. These leases have not commenced as of 31 March 2020. It is estimated that these committed leases would result in an increase in lease liabilities of \$626.5 million.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

38 Leases (in \$ million) (continued)

(a) As lessee (continued)

Spare engines

The Company has lease agreements for four GE90-115B engines and two Trent 800 engines with fixed rental rates. The original lease term for each spare engine is approximately six years with extension options of 12 months. As at 31 March 2020, the two Trent 800 engine leases are classified as short-term leases from the effective date of adoption of IFRS 16.

BAH Group leases two spare engines. The original lease terms on the engines are 12 years. Sub-leasing is allowed under all the lease arrangements.

Property and equipment

The Group has entered into lease agreements for office and computer equipment, leasehold land and buildings. These non-cancellable leases have lease terms of between one and 48 years.

Extension/termination options

The Group has estimated that in relation to aircraft and spare engines, should the extension options be exercised, it would result in an increase in lease liabilities of \$244.8 million, while the exercise of the termination options would result in a decrease in lease liabilities of \$20.9 million.

(b) As lessor

Finance lease

BAH Group sub-leased two A320-200 aircraft to an external party. The sub-lease term for the aircraft is between eight and nine years. The sub-leases were previously classified as operating leases under IAS 17.

Future minimum lease receivables under the finance leases are as follows:

	The Group 31 March 2020
Within 1 year	9.7
1 - 2 years	9.7
2 - 3 years	9.7
3 - 4 years	4.0
Total undiscounted lease receivables	33.1
Unearned finance income	(2.4)
Net investment in the lease	30.7

38 Leases (in \$ million) (continued)

(b) As lessor (continued)

Operating lease

The Company leased seven B777 aircraft for lease terms ranging from four to eight years to NokScoot. The lease rental is fixed throughout the lease term and is non-cancellable.

Future minimum lease receivables under the non-cancellable operating leases are as follows:

2020 – Operating leases under IFRS 16

	The Group and the Company 31 March 2020
Within 1 year	66.0
1 - 2 years	65.5
2 - 3 years	46.7
3 - 4 years	8.9
	187.1

2019 – Operating leases under IAS 17

	The Group 31 March 2019	The Company 31 March 2019
Not later than one year	74.4	65.3
Later than one year but not later than five years	173.8	143.1
	248.2	208.4

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. The European General Court has yet to issue its decision in respect of the appeal.

In January 2014, the Swiss Competition Commission announced a fine against SIA Cargo and the Company of CHF1.7 million (\$2.3 million) in respect of the air cargo issues. This amount was reflected as an exceptional item in the Group's accounts in FY2013/14. SIA Cargo and the Company have filed an appeal to the Swiss Federal Administrative Tribunal seeking annulment of the decision.

The proceedings by competition authorities in the United States, South Korea, South Africa, Australia and New Zealand were resolved in previous financial periods.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

39 Contingent Liabilities (in \$ million) (continued)

(a) Cargo: Investigations by Competition Authorities and Civil Class Actions (continued)

After the investigations commenced, civil damage lawsuits were filed in the United States, Canada, Australia, South Korea, England, the Netherlands, Norway and Germany by private parties against several airlines, including SIA Cargo and the Company. Other lawsuits have been threatened by customers of SIA Cargo or shippers that purportedly contracted with SIA Cargo's customers.

The plaintiffs in the South Korea proceedings withdrew their complaint in July 2011 and the proceedings were accordingly dismissed without prejudice. In January 2014, a shipper from South Korea which purportedly contracted with SIA Cargo's customers served a claim against SIA Cargo and other airlines. In December 2019, without admitting any liability, SIA Cargo entered into a settlement with the shipper, thereby resolving the claim against SIA Cargo.

In September 2016, one of SIA Cargo's customers filed a claim against SIA Cargo and the Company in the United States after opting out of SIA Cargo's and the Company's class action settlement.

In June 2017, without admitting any liability, SIA Cargo and the Company entered into a settlement of the above civil damages claim in the United States. At the same time, SIA Cargo and the Company settled the civil damages lawsuit filed in Germany, which was related to the opt-out claim in the United States.

In December 2018, without admitting any liability, SIA Cargo and the Company entered into a settlement with four out of the five claimant groups in the civil damages claim filed in England. In January 2019, the main defendant in the fifth claimant group proceedings discontinued its contribution claim against SIA Cargo and the Company. The entire civil damages claim filed in England has thus been resolved for SIA Cargo and the Company.

Without admitting any liability, SIA Cargo and the Company have settled with class and collective action plaintiffs in the United States, Australia, Canada and England, as the case may be, to resolve all liabilities of SIA Cargo and the Company as concerns such lawsuits filed in the relevant jurisdictions.

In addition, without admitting any liability, in 2012, 2013 and 2015, SIA Cargo reached settlements with certain customers to resolve all pending and potential future civil damage claims regarding the air cargo issues for those customers. The settlements in 2012, 2013, 2015 and 2017 have been reflected in the Group's financial statements in the previous financial years. The individual terms of all such settlements are required to be kept confidential.

Apart from the class actions in Canada, the United States and Australia, the opt-out claim in the United States, the lawsuit in Germany and the civil damages claims in England and South Korea, the filed cases remain in their respective procedural stages and none have been tried thus far on their respective substantive legal merits.

Apart from the items recorded as non-operating items noted above, it is premature to make a provision in the financial statements for the other pending investigations, court proceedings, civil suits, or threatened claims as their respective outcomes are uncertain.

(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.

(c) Guarantee to a Joint Venture Company

As at 31 March 2020, the Company had provided a guarantee of THB250.0 million (\$10.9 million) in respect of a revolving credit facility granted by a lender to NokScoot. The financial guarantee has been fully provided for and recorded as a non-operating item in the Group's accounts in FY2019/20.

40 Financial Instruments (in \$ million)

Classification and fair values of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in note 2 describe how the classes of financial instruments are measured, and how revenue and expenses, including fair value gains and losses, are recognised. The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as per the following tables.

Financial assets and financial liabilities that are classified as measured at amortised cost with carrying amounts being a reasonable approximation of their fair values are not presented in these tables. These financial assets include trade debtors, deposits and other debtors, amounts owing by subsidiary companies and cash and bank balances. These financial liabilities include trade and other creditors, amounts owing to subsidiary companies and loans.

31 March 2020 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	17.6	–	–	17.6	17.7	–	–
Unquoted							
Equity investments	–	41.4	6.2	47.6	–	–	47.6
Other long-term receivables	297.9	–	–	297.9	–	–	294.0
Derivative assets*	–	206.5	–	206.5	–	206.5	–
Investments							
Quoted							
Equity investments	–	0.1	–	0.1	0.1	–	–
Non-equity investments*	–	48.1	–	48.1	48.1	–	–
Non-equity investments	142.6	–	–	142.6	140.3	–	–
Unquoted							
Non-equity investments*	–	232.7	–	232.7	–	232.7	–
	458.1	528.8	6.2	993.1	206.2	439.2	341.6
<u>Financial liabilities</u>							
Derivative liabilities*	–	3,418.3	–	3,418.3	–	3,418.3	–
Notes payable	4,377.6	–	–	4,377.6	4,329.7	–	–
	4,377.6	3,418.3	–	7,795.9	4,329.7	3,418.3	–

* Mandatorily measured at FVTPL

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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

Classification and fair values of financial instruments (continued)

31 March 2020 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	17.6	–	–	17.6	17.7	–	–
Unquoted							
Equity investments	–	31.0	6.2	37.2	–	–	37.2
Other long-term receivables	130.2	–	–	130.2	–	–	130.2
Derivative assets*	–	206.5	–	206.5	–	206.5	–
Investments							
Quoted							
Non-equity investments	142.6	–	–	142.6	140.3	–	–
Unquoted							
Non-equity investments*	–	232.7	–	232.7	–	232.7	–
	290.4	470.2	6.2	766.8	158.0	439.2	167.4
<u>Financial liabilities</u>							
Derivative liabilities*	–	3,397.7	–	3,397.7	–	3,397.7	–
Notes payable	4,377.6	–	–	4,377.6	4,329.7	–	–
	4,377.6	3,397.7	–	7,775.3	4,329.7	3,397.7	–

31 March 2019 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	63.9	–	–	63.9	64.4	–	–
Unquoted							
Non-equity investments*	–	229.9	–	229.9	–	229.9	–
Equity investments	–	43.8	6.3	50.1	–	–	50.1
Other long-term receivables	315.8	–	–	315.8	–	–	311.3
Derivative assets*	–	755.5	–	755.5	–	755.5	–
Investments							
Quoted							
Non-equity investments*	–	48.3	–	48.3	48.3	–	–
Non-equity investments	68.5	–	–	68.5	65.8	–	–
	448.2	1,077.5	6.3	1,532.0	178.5	985.4	361.4
<u>Financial liabilities</u>							
Derivative liabilities*	–	158.7	–	158.7	–	158.7	–
Notes payable	4,377.0	–	–	4,377.0	4,399.3	–	–
	4,377.0	158.7	–	4,535.7	4,399.3	158.7	–

* Mandatorily measured at FVTPL

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

Classification and fair values of financial instruments (continued)

31 March 2019 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	63.9	–	–	63.9	64.4	–	–
Unquoted							
Non-equity investments*	–	229.9	–	229.9	–	229.9	–
Equity investments	–	33.4	6.3	39.7	–	–	39.7
Other long-term receivables	159.6	–	–	159.6	–	–	159.6
Derivative assets*	–	755.5	–	755.5	–	755.5	–
Investments							
Quoted							
Non-equity investments	68.5	–	–	68.5	65.8	–	–
	292.0	1,018.8	6.3	1,317.1	130.2	985.4	199.3
<u>Financial liabilities</u>							
Derivative liabilities*	–	153.2	–	153.2	–	153.2	–
Notes payable	4,377.0	–	–	4,377.0	4,399.3	–	–
	4,377.0	153.2	–	4,530.2	4,399.3	153.2	–

* Mandatorily measured at FVTPL

Financial instruments carried at fair value

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 – Unobservable inputs for the asset or liability

There has been no transfer between Level 1 and Level 2 during the financial year.

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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

Financial instruments carried at fair value (continued)

Determination of fair value (continued)

- 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.

Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association ("ISDA") master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Group also enters into netting arrangements with International Air Transport Association ("IATA") which is enforceable in the normal course of operations and also following an event of default, insolvency or bankruptcy of the Group or the counterparties. The Group settles these balances on a net basis during the normal course of operations.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

The Group	Effects of offsetting in the statements of financial position			Related amounts not offset	
	Gross amounts	Gross amounts set-off in the statements of financial position	Net amounts presented in the statements of financial position	Amounts subject to master netting arrangements	Net amount
31 March 2020					
Derivative assets	206.5	–	206.5	(38.0)	168.5
Trade debtors	849.8	(29.3)	820.5	–	820.5
	1,056.3	(29.3)	1,027.0	(38.0)	989.0
Derivative liabilities	3,418.3	–	3,418.3	(38.0)	3,380.3
Trade and other creditors	3,045.3	(29.3)	3,016.0	–	3,016.0
	6,463.6	(29.3)	6,434.3	(38.0)	6,396.3
31 March 2019					
Derivative assets	755.5	–	755.5	(137.8)	617.7
Trade debtors	1,551.2	(24.0)	1,527.2	–	1,527.2
	2,306.7	(24.0)	2,282.7	(137.8)	2,144.9
Derivative liabilities	158.7	–	158.7	(137.8)	20.9
Trade and other creditors	3,187.6	(24.0)	3,163.6	–	3,163.6
	3,346.3	(24.0)	3,322.3	(137.8)	3,184.5

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 2020</u>					
Derivative assets	206.5	–	206.5	(38.0)	168.5
Trade debtors	469.8	(29.3)	440.5	–	440.5
Amounts owing by subsidiary companies	605.2	(404.8)	200.4	–	200.4
	1,281.5	(434.1)	847.4	(38.0)	809.4
Derivative liabilities	3,397.7	–	3,397.7	(38.0)	3,359.7
Trade and other creditors	2,279.8	(29.3)	2,250.5	–	2,250.5
Amounts owing to subsidiary companies	1,426.3	(404.8)	1,021.5	–	1,021.5
	7,103.8	(434.1)	6,669.7	(38.0)	6,631.7
<u>31 March 2019</u>					
Derivative assets	755.5	–	755.5	(137.8)	617.7
Trade debtors	1,162.8	(24.0)	1,138.8	–	1,138.8
Amounts owing by subsidiary companies	261.5	(257.8)	3.7	–	3.7
	2,179.8	(281.8)	1,898.0	(137.8)	1,760.2
Derivative liabilities	153.2	–	153.2	(137.8)	15.4
Trade and other creditors	2,328.2	(24.0)	2,304.2	–	2,304.2
Amounts owing to subsidiary companies	1,229.6	(257.8)	971.8	–	971.8
	3,711.0	(281.8)	3,429.2	(137.8)	3,291.4

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 2020

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	
	2020	2019	2020	2019
<u>Derivative assets</u>				
Current				
Currency hedging contracts	166.8	56.2	166.8	56.2
Fuel hedging contracts	–	315.2	–	315.2
Cross currency swap contracts	2.5	–	2.5	–
	169.3	371.4	169.3	371.4
Non-current				
Currency hedging contracts	11.6	5.9	11.6	5.9
Fuel hedging contracts	–	375.8	–	375.8
Cross currency swap contracts	0.1	2.4	0.1	2.4
Interest rate swap contracts	25.5	–	25.5	–
	37.2	384.1	37.2	384.1
	206.5	755.5	206.5	755.5
<u>Derivative liabilities</u>				
Current				
Currency hedging contracts	5.2	19.9	5.2	19.9
Fuel hedging contracts	1,510.0	68.2	1,510.0	68.2
Cross currency swap contracts	0.9	–	0.9	–
Interest rate swap contracts	54.7	1.4	49.1	–
	1,570.8	89.5	1,565.2	88.1
Non-current				
Currency hedging contracts	–	0.2	–	0.2
Fuel hedging contracts	1,759.1	47.0	1,759.1	47.0
Cross currency swap contracts	15.0	3.8	15.0	3.8
Interest rate swap contracts	73.4	18.2	58.4	14.1
	1,847.5	69.2	1,832.5	65.1
	3,418.3	158.7	3,397.7	153.2

(a) Jet fuel price risk

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

Cash flow hedges

The Group manages this fuel price risk by using swap, option and collar contracts and hedging up to 20 quarters forward using jet fuel swap, option and collar contracts, ICE Brent swap contracts and Brent-MOPS crack swap contracts.

The Group has applied cash flow hedge accounting to the derivatives which are considered to be highly effective hedging instruments. A net fair value loss before tax of \$2,577.9 million (2019: gain before tax of \$553.3 million), with a related deferred tax credit of \$438.2 million (2019: deferred tax expense of \$92.8 million), was included in the fair value reserve in respect of these contracts.

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(a) Jet fuel price risk (continued)

Cash flow hedges (continued)

Due to the significant capacity cuts brought about by the Covid-19 pandemic and the expected impact on the near-term forecasted jet fuel purchases, a portion of these forecasted jet fuel purchases, for which hedge accounting had been applied previously, no longer expected to occur. As a result, hedge accounting has been discontinued for these hedging relationships, with hedging ineffectiveness of \$709.8 million recognised in the profit or loss (refer to note 3(g)). As at 31 March 2020, the Group has \$585.3 million remaining in the fair value reserve for which hedge accounting is no longer applied.

The table below sets out the movements for fuel hedges:

	The Group		The Company	
	FY2019/20	FY2018/19	FY2019/20	FY2018/19
Change in fair value of hedging instrument	(3,974.9)	376.8	(3,974.9)	376.8
Change in fair value of hedged item	4,072.2	(376.8)	4,072.2	(376.8)

As at 31 March 2020, the Group had entered into longer dated Brent hedges with maturities extending to FY2024/25 that cover up to 56% of the Group's projected annual fuel consumption, at average prices ranging from USD57 to USD62 per barrel.

Jet fuel price sensitivity analysis

The jet fuel price risk sensitivity analysis is based on the assumption that all other factors, such as fuel surcharge and uplifted fuel volume, remain constant. Under this assumption, and excluding the effects of hedging, an increase in price of one USD per barrel of jet fuel affects the Group's and the Company's annual fuel costs by \$58.9 million and \$48.6 million (FY2018/19: \$56.7 million and \$46.5 million) respectively.

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

Sensitivity analysis on outstanding fuel hedging contracts:

	The Group 31 March			
	2020		2019	
	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	165.8	18.9	141.2	–
Decrease in one USD per barrel	(165.8)	(18.9)	(141.2)	–

	The Company 31 March			
	2020		2019	
	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	133.9	15.6	113.4	–
Decrease in one USD per barrel	(133.9)	(15.6)	(113.4)	–

^{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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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 2020, these accounted for 65.7% of total revenue (FY2018/19: 61.2%) and 53.4% of total operating expenses (FY2018/19: 57.0%). The Group's largest exposures are from United States Dollar, Euro, UK Sterling Pound, Australian Dollar, New Zealand Dollar, Japanese Yen, Indian Rupee, Hong Kong Dollar, Chinese Yuan and Indonesian Rupiah. The Group generates a surplus in all of these currencies, with the exception of USD. The deficit in USD is attributable to capital expenditure, fuel costs and aircraft leasing costs – all conventionally denominated and payable in USD.

The Group manages its foreign exchange exposure by a policy of matching, as far as possible, receipts and payments in each individual currency. Surpluses of convertible currencies are sold, as soon as practicable, for USD or SGD. The Group also uses foreign currency forward and option contracts to hedge a portion of its future foreign exchange exposure. Such contracts provide for the Group to sell currencies at predetermined forward rates, buying either USD or SGD depending on forecast requirements, with settlement dates up to 24 months. The Company uses cross currency swap contracts to hedge a portion of its fixed future foreign exchange exposure in JPY and EUR into SGD predetermined costs. The Group uses these currency hedging contracts purely as a hedging tool. It does not take positions in currencies with a view to making speculative gains from currency movements. The Group also uses short-term deposits in foreign currencies to hedge a portion of the forecast USD capital expenditure in the next 12 months.

Cash flow hedges

a) Net operating and other exposures

The Group held cash flow hedges to manage net operating exposures to foreign currencies. As at 31 March 2020, the carrying amounts of these hedges consisted of \$106.5 million (2019: \$32.4 million) derivative assets and \$5.2 million (2019: \$10.2 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 \$16.1 million (2019: \$26.6 million) for the Group.

The Group also held cross currency swap contracts to hedge foreign currency risk of expected future JPY and EUR surpluses until November 2029. As at 31 March 2020, a net fair value loss of \$16.3 million (2019: \$1.4 million), with a related deferred tax credit of \$0.5 million (2019: \$0.2 million), was included in the fair value reserve with respect to these contracts.

As at 31 March 2020, the Group held EUR and JPY secured loans amounting to \$1,372.3 million where the fixed repayments are hedged against the Group's EUR and JPY surpluses. A fair value loss of \$50.8 million (2019: \$nil) was included in the fair value reserve in respect of the above cash flow hedges as at 31 March 2020.

Foreign currency hedging effectiveness

The effectiveness of the foreign currency hedges has been determined based on forecast foreign currency receipts using projections approved by Management covering a five-year period. During the year, the Group and the Company recognised a foreign currency gain amounting to \$30.0 million (2019: \$nil) and \$25.5 million (2019: \$nil) respectively in profit or loss, arising from an over-hedged position as a result of significant capacity cuts brought about by the Covid-19 situation.

b) Capital expenditure exposures

The Group designates cash flow hedges to manage the exposure to USD-denominated capital expenditure commitments. As at 31 March 2020, the total nominal amount of these cash flow hedges over the next two years was USD921.7 million (2019: USD1,909.0 million) with a hedged rate range of SGD/USD 1.29 – 1.40 (2019: SGD/USD 1.29 – 1.39) for the Group and USD900.6 million (2019: USD1,743.2 million) with a hedged rate range of SGD/USD 1.29 – 1.40 (2019: SGD/USD 1.29 – 1.39) for the Company.

As at 31 March 2019, the Group held USD3.8 million in short-term deposits to hedge against foreign currency risk for a portion of the forecast USD capital expenditure in the next 12 months. No such deposits were held by the Group as at 31 March 2020.

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(b) Foreign currency risk (continued)

Cash flow hedges (continued)

b) Capital expenditure exposures (continued)

During the financial year, the Group also entered into foreign currency forward contracts to hedge against foreign currency risk for a portion of the forecast USD capital expenditure in the next 24 months. As at 31 March 2020, a fair value gain of \$71.9 million (2019: \$19.8 million) was included in the fair value reserve in respect of the above cash flow hedges.

The table below sets out the derivative positions and movements for these cash flow hedges:

	The Group and the Company	
	31 March	
	2020	2019
Fixed deposits	–	5.2
Derivative assets	71.9	29.7
Derivative liabilities	–	(9.9)
	<hr/>	
	The Group and the Company	
	FY2019/20	
	FY2018/19	
Change in fair value of hedging instrument	85.5	136.2
Change in fair value of hedged item	(85.5)	(136.2)

For the financial year ended 31 March 2020 and 31 March 2019, 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. Underlying currency movements on aircraft designated in a fair value hedge are included within "Property, plant and equipment" in the statements of financial position. The hedging instrument is included within "Lease liabilities". The effective portion of changes in the fair value of both the hedged item and hedging instrument are offset within "Other operating expenses" and no ineffectiveness arose on fair value hedges during the year.

	The Group	The Company
	31 March 2020	31 March 2020
USD aircraft residual values	854.2	490.2
USD lease liabilities	(854.2)	(490.2)
	<hr/>	
	The Group	The Company
	FY2019/20	FY2018/19
Change in fair value of hedging instrument	(45.0)	(26.7)
Change in fair value of hedged item	45.0	26.7

Foreign currency sensitivity analysis

The foreign currency risk sensitivity analysis is based on contracts that are outstanding as at the end of the reporting period and assumes that a portion of the cash flow hedges are ineffective.

The following table details the sensitivity of a 1% strengthening of SGD against the respective foreign currencies. The sensitivity analysis includes only outstanding foreign currency hedging contracts and significant outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(b) Foreign currency risk (continued)

Sensitivity analysis:

	The Group 31 March			
	2020		2019	
	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}
AUD	2.3	0.7	3.8	(1.0)
EUR	11.7	0.6	1.5	(0.7)
GBP	1.0	0.1	1.5	(0.4)
JPY	6.9	1.0	1.2	–
CNY	1.8	0.5	4.0	0.1
USD	(0.4)	1.4	(45.8)	(3.7)

	The Company 31 March			
	2020		2019	
	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}
AUD	2.1	0.6	3.8	(1.1)
EUR	11.7	0.6	1.5	(0.8)
GBP	1.0	0.1	1.5	(0.4)
JPY	6.9	0.9	1.2	–
CNY	1.3	0.2	3.0	0.1
USD	1.0	(2.0)	(42.4)	(3.5)

^{R1} Sensitivity analysis on outstanding foreign currency hedging contracts and fuel hedging contracts denominated in foreign currency.

^{R2} Sensitivity analysis on significant outstanding foreign currency denominated monetary items and outstanding foreign currency and fuel derivative contracts denominated in foreign currency which have been de-designated from a hedge relationship.

If the relevant foreign currency strengthens by 1% against SGD, equity and profit before taxation would change by the same amounts in the opposite direction.

(c) Interest rate risk

The Group's earnings are also affected by changes in interest rates due to the impact such changes have on interest income and expense from short-term deposits and other interest-bearing financial assets and liabilities. The Group enters into interest rate swap contracts and interest rate cap 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 2020, the total nominal amount of these cash flow hedges was \$3,678.4 million (2019: \$1,980.0 million) with a hedged rate range of 0.34% to 2.92% (2019: 2.62% to 2.92%) for the Group and \$3,198.4 million (2019: \$1,500.0 million) with a hedged rate range of 0.34% to 2.86% (2019: 2.62% to 2.86%) for the Company.

The terms of the interest rate swap contracts have been negotiated to match the terms of the loans and, accordingly, the fair value hedges are assessed to be highly effective. As at 31 March 2020, a net fair value loss of \$102.6 million (2019: \$19.6 million) with related deferred tax credit of \$17.4 million (2019: \$3.3 million) was included in the fair value reserve in respect of these contracts.

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(c) Interest rate risk (continued)

Interest rate sensitivity analysis

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or finance charges of variable interest financial instruments.
- Changes in market interest rates affect the fair value of derivative financial instruments designated as hedging instruments and all interest rate hedges are expected to be highly effective.
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the end of the reporting period.

Under these assumptions, an increase or decrease in market interest rates of 10 basis points for all currencies in which the Group has derivative financial instruments and variable rate assets and liabilities at 31 March 2020 will have the effects as set out in the table below.

Sensitivity analysis:

	The Group 31 March			
	2020		2019	
	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}	Effect on equity ^{R1}	Effect on profit before taxation ^{R2}
Increase in 10 basis points in market interest rates	15.0	2.7	9.1	3.0
Decrease in 10 basis points in market interest rates	(15.0)	(2.7)	(9.1)	(3.0)

	The Company 31 March			
	2020		2019	
	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	13.4	1.8	7.3	2.1
Decrease in 10 basis points in market interest rates	(13.4)	(1.8)	(7.3)	(2.1)

^{R1} Sensitivity analysis on derivative financial instruments.

^{R2} Sensitivity analysis on variable rate assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(d) Market rate risk

At 31 March 2020, the Group and the Company own investments of \$488.7 million (2019: \$460.7 million) and \$430.1 million (2019: \$402.0 million) respectively, out of which \$328.6 million (2019: \$328.4 million) and \$269.9 million (2019: \$269.6 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			
	2020		2019	
	Effect on equity	Effect on profit before taxation	Effect on equity	Effect on profit before taxation
Increase in 1% of quoted prices	0.1	3.2	0.1	3.2
Decrease in 1% of quoted prices	(0.1)	(3.2)	(0.1)	(3.2)

	The Company 31 March			
	2020		2019	
	Effect on equity	Effect on profit before taxation	Effect on equity	Effect on profit before taxation
Increase in 1% of quoted prices	0.1	2.6	0.1	2.6
Decrease in 1% of quoted prices	(0.1)	(2.6)	(0.1)	(2.6)

(e) Liquidity risk

At 31 March 2020, the Group has at its disposal, cash and short-term deposits amounting to \$2,685.3 million (2019: \$2,944.0 million). In addition, the Group has a Medium Term Note Programme and Medium Term Bond Programme under which it may issue notes up to \$7,000.0 million (2019: \$7,000.0 million) and as of 31 March 2020, \$2,620.0 million (2019: \$2,620.0 million) remained unutilised. Under this Programme, notes issued by the Company may have varying maturities as contracted with the relevant financial institutions. In addition, the Group has committed unsecured credit facilities of about \$1,771.9 million (2019: \$1,557.5 million) and as of 31 March 2020, \$1,771.9 million (2019: \$nil) had been utilised.

The Group's holdings of cash and short-term deposits, together with committed funding facilities, proceeds from rights issue of ordinary shares and mandatory convertible bonds, 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.

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)
(e) Liquidity risk (continued)

The maturity profile of the financial liabilities of the Group and the Company is as follows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is insignificant.

31 March 2020	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
The Group							
Notes payable	630.4	318.9	115.8	1,465.9	368.7	2,134.7	5,034.4
Loans	2,130.1	367.1	384.0	399.9	412.0	1,919.9	5,613.0
Lease liabilities	566.8	439.3	378.5	325.0	240.4	247.4	2,197.4
Maintenance reserve	–	–	12.1	16.1	–	–	28.2
Trade and other creditors	3,016.0	–	–	–	–	–	3,016.0
Derivative financial instruments:							
Currency hedging contracts	5.2	–	–	–	–	–	5.2
Fuel hedging contracts	1,510.0	702.2	501.2	460.0	193.0	–	3,366.4
Cross currency swap contracts	0.6	0.4	–	0.2	1.0	16.1	18.3
Interest rate swap contracts (net-settled)	54.2	44.8	31.9	21.7	14.3	(56.3)	110.6
	<u>7,913.3</u>	<u>1,872.7</u>	<u>1,423.5</u>	<u>2,688.8</u>	<u>1,229.4</u>	<u>4,261.8</u>	<u>19,389.5</u>
The Company							
Notes payable	630.4	318.9	115.8	1,465.9	368.7	2,134.7	5,034.4
Loans	2,057.9	303.5	326.3	345.0	358.6	1,743.6	5,134.9
Lease liabilities	314.6	208.8	166.5	141.8	121.5	119.1	1,072.3
Maintenance reserve	–	–	12.1	16.1	–	–	28.2
Trade and other creditors	2,250.5	–	–	–	–	–	2,250.5
Amounts owing to subsidiary companies	1,021.5	–	–	–	–	–	1,021.5
Derivative financial instruments:							
Currency hedging contracts	5.2	–	–	–	–	–	5.2
Fuel hedging contracts	1,510.0	702.2	501.2	460.0	193.0	–	3,366.4
Cross currency swap contracts	0.6	0.4	–	0.2	1.0	16.1	18.3
Interest rate swap contracts (net-settled)	48.6	39.9	28.5	19.2	12.4	(59.0)	89.6
	<u>7,839.3</u>	<u>1,573.7</u>	<u>1,150.4</u>	<u>2,448.2</u>	<u>1,055.2</u>	<u>3,954.5</u>	<u>18,021.3</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(e) Liquidity risk (continued)

31 March 2019	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
The Group							
Notes payable	138.3	630.4	318.9	115.8	1,465.9	2,503.4	5,172.7
Loans	287.7	282.2	282.2	271.9	260.7	1,204.1	2,588.8
Maintenance reserve	6.9	10.5	—	2.5	—	—	19.9
Trade and other creditors	3,163.6	—	—	—	—	—	3,163.6
Derivative financial instruments:							
Currency hedging contracts	19.9	0.2	—	—	—	—	20.1
Fuel hedging contracts	68.2	8.0	—	11.5	27.5	—	115.2
Cross currency swap contracts	1.9	0.9	0.3	—	—	—	3.1
Interest rate swap contracts (net-settled)	5.4	6.8	5.2	4.1	2.2	(3.6)	20.1
	3,691.9	939.0	606.6	405.8	1,756.3	3,703.9	11,103.5
The Company							
Notes payable	138.3	630.4	318.9	115.8	1,465.9	2,503.4	5,172.7
Loans	203.0	202.0	203.1	203.9	205.4	986.4	2,003.8
Maintenance reserve	6.9	10.5	—	2.5	—	—	19.9
Trade and other creditors	2,304.2	—	—	—	—	—	2,304.2
Amounts owing to subsidiary companies	971.8	—	—	—	—	—	971.8
Derivative financial instruments:							
Currency hedging contracts	19.9	0.2	—	—	—	—	20.1
Fuel hedging contracts	68.2	8.0	—	11.5	27.5	—	115.2
Cross currency swap contracts	1.9	0.9	0.3	—	—	—	3.1
Interest rate swap contracts (net-settled)	4.0	5.0	3.9	3.1	1.6	(3.3)	14.3
	3,718.2	857.0	526.2	336.8	1,700.4	3,486.5	10,625.1

(f) Credit risk

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

The maximum exposure to credit risk for the Group and the Company is represented by the carrying amount of each financial asset in the statement of financial position.

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

The sale of passenger and cargo transportation is largely achieved through IATA accredited sales agents. The credit risk of such sales agents is relatively small owing to broad diversification. In specific instances, the contract may require special collateral.

41 Financial Risk Management Objectives and Policies (in \$ million) (continued)

(f) Credit risk (continued)

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.

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	
	2020	2019	2020	2019	2020	2019	2020	2019
Counterparty profiles								
<u>By industry:</u>								
Travel agencies	231.0	528.7	4.7%	8.6%	225.9	505.9	3.2%	7.3%
Airlines	161.7	222.5	3.3%	3.6%	3,028.3	1,709.3	42.9%	24.7%
Financial institutions	2,744.2	3,945.1	56.5%	64.3%	2,566.5	3,696.8	36.3%	53.4%
Others	1,486.3	1,190.1	30.5%	19.4%	1,009.7	834.3	14.2%	12.1%
	4,623.2	5,886.4	95.0%	95.9%	6,830.4	6,746.3	96.6%	97.5%
<u>By region:</u>								
East Asia	2,734.2	3,376.4	56.1%	54.9%	5,391.5	4,634.0	76.2%	67.0%
Europe	1,549.5	1,602.2	31.8%	26.1%	1,210.2	1,287.3	17.1%	18.6%
South West Pacific	124.7	578.9	2.6%	9.4%	116.8	570.2	1.7%	8.2%
Americas	100.0	227.2	2.1%	3.7%	47.1	184.2	0.7%	2.7%
West Asia and Africa	114.8	101.7	2.4%	1.8%	64.8	70.6	0.9%	1.0%
	4,623.2	5,886.4	95.0%	95.9%	6,830.4	6,746.3	96.6%	97.5%
<u>By Moody's credit ratings:</u>								
Investment grade (A to Aaa)	3,032.0	4,164.0	62.3%	67.8%	2,867.0	3,986.6	40.6%	57.6%
Investment grade (Baa)	15.1	3.6	0.3%	0.1%	1.7	1.6	—	—
Non-rated	1,576.1	1,718.8	32.4%	28.0%	3,961.7	2,758.1	56.0%	39.9%
	4,623.2	5,886.4	95.0%	95.9%	6,830.4	6,746.3	96.6%	97.5%

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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 2019	Proceeds	Repayments	Interest payments	Non-cash changes				31 March 2020
					Interest expense	Foreign exchange movement	Additions	Interest capitalised	
Notes payable	4,377.0	–	–	–	0.6	–	–	–	4,377.6
Loans	2,277.4	3,981.0	(878.3)	–	1.2	65.0	–	–	5,446.3
Lease liabilities	2,185.3	–	(575.9)	–	75.7	71.7	203.8	–	1,960.6
Accrued interest	45.4	–	–	(206.0)	143.4	–	–	63.4	46.2

	1 April 2018	Proceeds	Repayments	Interest payments	Non-cash changes				31 March 2019
					Interest expense	Foreign exchange movement	Additions	Interest capitalised	
Notes payable	3,030.1	1,346.8	–	–	0.1	–	–	–	4,377.0
Loans	97.2	2,272.5	(93.7)	–	0.5	0.9	–	–	2,277.4
Accrued interest	32.0	–	–	(124.5)	115.5	–	–	22.4	45.4

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.

During the financial year ended 31 March 2020, 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	
	2020	2019	2020	2019
Notes payable	4,377.6	4,377.0	4,377.6	4,377.0
Loans	5,446.3	2,277.4	5,033.8	1,756.4
Lease liabilities	1,960.6	–	974.3	–
Total debt	11,784.5	6,654.4	10,385.7	6,133.4
Share capital	1,856.1	1,856.1	1,856.1	1,856.1
Reserves	7,458.0	11,430.7	7,006.6	9,917.3
Total capital	9,314.1	13,286.8	8,862.7	11,773.4
Gearing ratio (times)	1.27	0.50	1.17	0.52

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	
	FY2019/20	FY2018/19
Purchases of services from associated companies	203.9	206.8
Services rendered to associated companies	(58.1)	(76.7)
Purchases of services from joint venture companies	38.4	42.6
Services rendered to joint venture companies	(128.1)	(120.4)
Purchases of services from related parties	1,665.3	1,574.8
Services rendered to related parties	(40.3)	(47.6)
Professional fees paid to a firm of which a Director is a member	2.1	1.0

Key Management Personnel remuneration of the Group

	The Group	
	FY2019/20	FY2018/19
<u>Directors</u>		
Salary, bonuses, fee and other costs	5.8	5.8
CPF and other defined contributions	*	*
Share-based compensation expense	2.2	1.7
	8.0	7.5
<u>Key executives (excluding executive Directors)</u>		
Salary, bonuses, fee and other costs	3.4	3.6
CPF and other defined contributions	*	*
Share-based compensation expense	1.9	1.6
	5.3	5.2

* Amount less than \$0.1 million

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

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

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

RSP 2014 Base Awards

Name of participant	Balance as at 1 April 2019	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2020	Aggregate Base Awards granted since commencement of RSP 2014 to end of financial year under review
Goh Choon Phong	60,000	75,000	60,000	75,000	297,000
Mak Swee Wah	30,000	36,000	30,000	36,000	147,000
Ng Chin Hwee	30,000	36,000	30,000	36,000	147,000

RSP 2014 Final Awards (Pending Release)^{R1}

Name of participant	Balance as at 1 April 2019	Final Awards granted during the financial year [#]	Final Awards released during the financial year	Balance as at 31 March 2020	Aggregate ordinary shares released to participant since commencement of RSP 2014 to end of financial year under review*
Goh Choon Phong	78,300	52,200	74,700	55,800	184,800
Mak Swee Wah	39,150	26,100	37,350	27,900	92,400
Ng Chin Hwee	39,150	26,100	37,350	27,900	92,400

Deferred RSP 2014 Awards

Name of participant	Balance as at 1 April 2019	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2020	Aggregate ordinary shares released to participant since commencement of DSA to end of financial year under review*
Goh Choon Phong	57,460	–	12,860	44,600	49,780
Mak Swee Wah	28,230	–	7,410	20,820	26,040
Ng Chin Hwee	28,230	–	7,410	20,820	28,680

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

PSP 2014 Base Awards^{R2}

Name of participant	Balance as at 1 April 2019	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2020	Aggregate Base Awards granted since commencement of PSP 2014 to end of financial year under review	Aggregate ordinary shares released to participant since commencement of PSP 2014 to end of financial year under review*
Goh Choon Phong	222,750	95,000	82,500	235,250	400,250	20,630
Mak Swee Wah	89,100	40,000	33,000	96,100	162,100	8,250
Ng Chin Hwee	89,100	40,000	33,000	96,100	162,100	8,250

Transformation Share Awards Base Awards

Name of participant	Balance as at 1 April 2019	Base Awards granted during the financial year	Base Awards vested during the financial year	Balance as at 31 March 2020	Aggregate Base Awards granted since commencement of TSA to end of financial year under review
Goh Choon Phong	66,083	80,295	66,083	80,295	146,378
Mak Swee Wah	30,839	37,471	30,839	37,471	68,310
Ng Chin Hwee	30,839	37,471	30,839	37,471	68,310

Transformation Share Awards Final Awards (Pending Release)^{R3}

Name of participant	Balance as at 1 April 2019	Final Awards granted during the financial year [#]	Final Awards released during the financial year	Balance as at 31 March 2020	Aggregate ordinary shares released to participant since commencement of TSA to end of financial year under review*
Goh Choon Phong	66,083	83,000	41,500	107,583	41,500
Mak Swee Wah	30,839	31,000	15,500	46,339	15,500
Ng Chin Hwee	30,839	31,000	15,500	46,339	15,500

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

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

^{R3} The actual number of TSA Final Awards of fully paid ordinary shares will range from 0% to 200% of the Base Awards and is contingent on the Achievements against Targets over the one-year performance period relating to the relevant awards.

[#] 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.

^{*} During the financial year, 149,400, 37,130, 30,020 and 72,500 treasury shares were issued to a Director and key executives of the Company pursuant to the RSP, PSP, DSA and TSA respectively.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2020

45 Subsequent Events

The unprecedented and rapid spread of the Covid-19 pandemic, which resulted in global travel restrictions and border controls in many major markets, have led to a collapse in travel demand. The Group, which operates an international network, has been hard hit by these measures.

In response to these global border closures and international travel bans imposed by key markets, the Company and SilkAir have announced the cutting of 96% of the cumulative capacity that had been originally scheduled up to end-June 2020. The Group's low-cost carrier Scoot will also suspend most of its network, resulting in the grounding of 47 of its fleet of 49 aircraft. As a result, the Group's passenger revenues have significantly declined and financial position have been adversely affected. The Group expects 2020 to be an extremely challenging year.

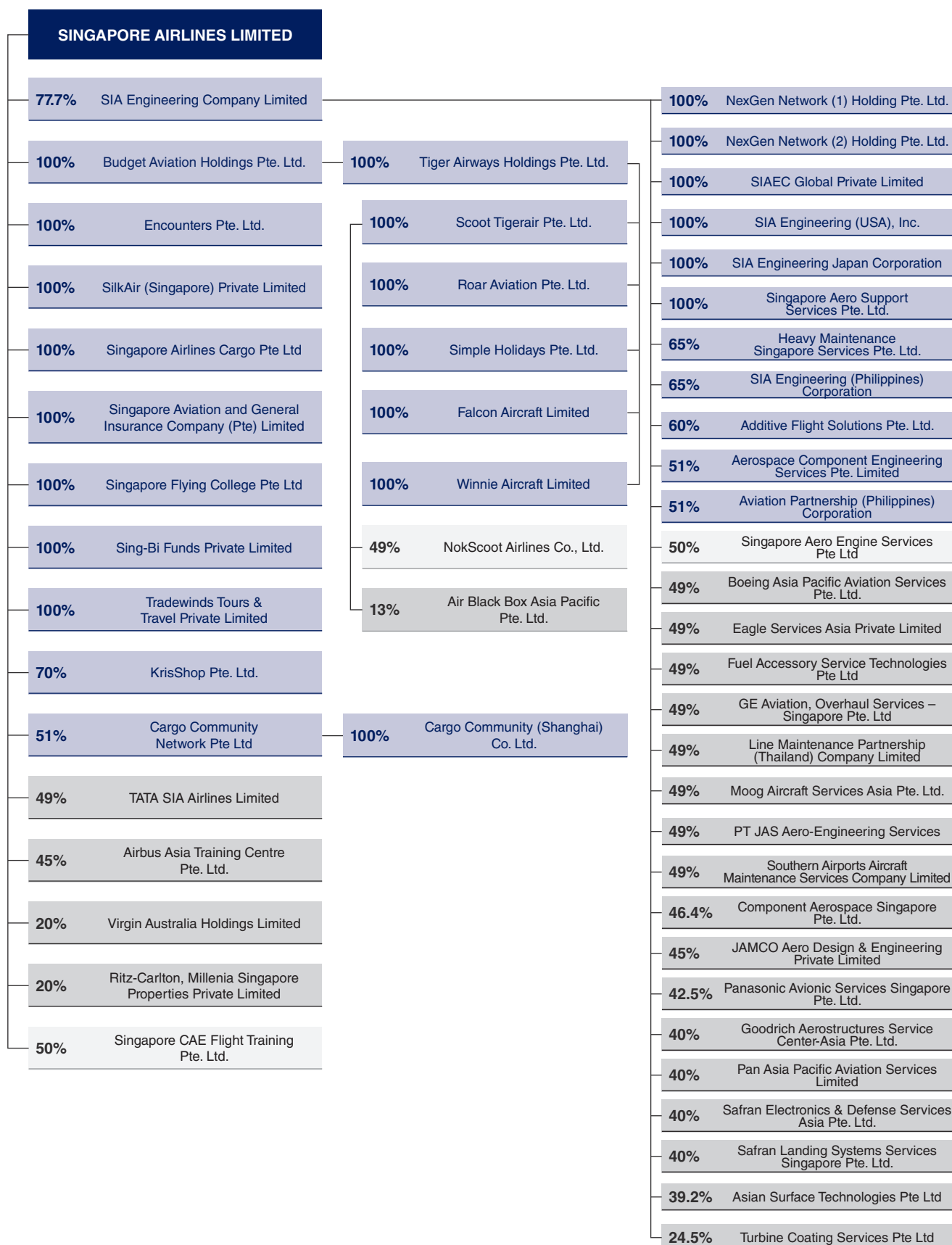
At the date of this report, it is uncertain when the Group is able to resume normal services, given its dependency on when stringent border controls will be lifted. While the impact on the Group's business will be severe in the immediate future, the Group intends to continue operating in the long term and has actively taken measures to build up its liquidity to meet its near-term cash needs. As at 31 March 2020, the Group has various facilities at its disposal as detailed in note 41(e).

In addition, further measures being undertaken include ongoing discussions with aircraft manufacturers to defer upcoming aircraft deliveries and reschedule aircraft pre-delivery payments, salary cuts for the Group's employees, the completion of both secured and unsecured credit facilities, of which, \$761.4 million has been drawn down to date, the arrangement of a \$4 billion bridge loan facility, and a rights issue of ordinary shares and mandatory convertible bonds.

The proposed rights issue of ordinary shares and 10-year mandatory convertible bonds announced on 26 March 2020 has been approved by shareholders at the Extraordinary General Meeting ("EGM") held on 30 April 2020. The last trading day of the nil-paid rights and closing date for the rights issue are on 21 May 2020 and 28 May 2020 respectively, with the announcement of the final outcome of the rights issue scheduled on or around 3 June 2020. This rights issue of ordinary shares and mandatory convertible bonds will raise gross proceeds of approximately \$8.8 billion and will be classified as equity. The approval given by the shareholders at the EGM also allows the Company to further issue \$6.2 billion of additional mandatory convertible bonds. The funding of up to \$15 billion is expected to enable the Group to meet its ongoing financial commitments and weather the challenges posed by the Covid-19 pandemic.

GROUP CORPORATE STRUCTURE

At 31 March 2020



QUARTERLY RESULTS OF THE GROUP

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
TOTAL REVENUE						
2019/20	(\$ million)	4,102.2	4,222.3	4,470.6	3,180.8	15,975.9
2018/19	(\$ million)	3,844.5	4,062.1	4,341.5	4,075.1	16,323.2
TOTAL EXPENDITURE						
2019/20	(\$ million)	3,902.2	4,009.2	4,022.1	3,983.3	15,916.8
2018/19	(\$ million)	3,651.4	3,829.2	3,953.9	3,821.6	15,256.1
OPERATING PROFIT/(LOSS)						
2019/20	(\$ million)	200.0	213.1	448.5	(802.5)	59.1
2018/19	(\$ million)	193.1	232.9	387.6	253.5	1,067.1
PROFIT/(LOSS) BEFORE TAXATION						
2019/20	(\$ million)	148.4	138.1	397.9	(904.6)	(220.2)
2018/19	(\$ million)	184.0	104.5	366.1	214.0	868.6
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY						
2019/20	(\$ million)	111.1	94.5	314.8	(732.4)	(212.0)
2018/19	(\$ million)	139.6	56.4	284.1	202.6	682.7
EARNINGS/(LOSS) PER SHARE						
- BASIC						
2019/20	(cents)	9.4	8.0	26.6	(61.8)	(17.9)
2018/19	(cents)	11.8	4.8	24.0	17.1	57.7
EARNINGS/(LOSS) PER SHARE						
- DILUTED						
2019/20	(cents)	9.3	7.9	26.4	(61.8)	(17.9)
2018/19	(cents)	11.8	4.7	23.9	17.0	57.4

FIVE-YEAR FINANCIAL SUMMARY OF THE GROUP

	2019/20	2018/19	2017/18	2016/17	2015/16
PROFIT AND LOSS ACCOUNT (\$ million)					
Total revenue	15,975.9	16,323.2	15,806.1	14,868.5	15,238.7
Total expenditure	(15,916.8)	(15,256.1)	(14,257.3)	(14,245.7)	(14,557.5)
Operating profit	59.1	1,067.1	1,548.8	622.8	681.2
Finance charges	(220.9)	(116.1)	(89.8)	(46.1)	(50.3)
Interest income	42.1	41.9	60.9	73.9	70.7
Surplus/(Loss) on disposal of aircraft, spares and spare engines	6.9	(5.8)	16.1	(31.7)	52.7
Dividend from long-term investments	3.2	3.1	6.2	45.0	115.3
Other non-operating items	(31.9)	(47.4)	19.3	(103.2)	91.1
Share of profits of joint venture companies	46.4	23.2	41.0	20.9	22.8
Share of losses of associated companies	(125.1)	(97.4)	(9.3)	(63.0)	(11.1)
(Loss)/Profit before taxation	(220.2)	868.6	1,593.2	518.6	972.4
(Loss)/Profit attributable to owners of the Company	(212.0)	682.7	1,301.6	360.4	804.4
STATEMENT OF FINANCIAL POSITION (\$ million)					
Share capital	1,856.1	1,856.1	1,856.1	1,856.1	1,856.1
Treasury shares	(156.0)	(171.5)	(183.5)	(194.7)	(381.5)
Capital reserve	(112.7)	(124.3)	(139.4)	(147.6)	(129.2)
Foreign currency translation reserve	(5.3)	(33.2)	(52.4)	(123.7)	(151.3)
Share-based compensation reserve	25.7	24.9	79.5	88.5	123.7
Fair value reserve	(2,150.9)	459.7	313.5	(234.4)	(498.6)
General reserve	9,857.2	11,275.1	10,986.5	11,838.8	11,935.5
Equity attributable to owners of the Company	9,314.1	13,286.8	12,860.3	13,083.0	12,754.7
Non-controlling interests	418.6	396.4	368.1	387.2	378.2
Total equity	9,732.7	13,683.2	13,228.4	13,470.2	13,132.9
Property, plant and equipment	25,485.8	22,176.3	18,169.2	16,433.3	14,143.5
Right-of-use assets ^{R1}	1,477.7	–	–	–	–
Intangible assets	487.0	451.3	435.3	423.5	515.8
Associated companies	817.0	1,104.5	1,048.8	1,056.9	901.9
Joint venture companies	191.5	171.7	150.6	160.2	156.3
Long-term investments	65.2	343.9	346.0	405.7	773.1
Other non-current assets	345.7	757.8	775.6	540.4	562.0
Current assets	4,842.9	5,499.7	4,967.0	5,700.0	6,794.0
Total assets	33,712.8	30,505.2	25,892.5	24,720.0	23,846.6
Deferred account	33.3	83.9	123.3	234.5	255.0
Deferred taxation	1,335.3	2,040.3	1,840.6	1,890.5	1,681.7
Lease liabilities ^{R1}	1,960.6	–	–	–	–
Other non-current liabilities	10,141.8	7,319.4	4,134.5	2,836.2	2,289.8
Current liabilities	10,509.1	7,378.4	6,565.7	6,288.6	6,487.2
Total liabilities	23,980.1	16,822.0	12,664.1	11,249.8	10,713.7
Net assets	9,732.7	13,683.2	13,228.4	13,470.2	13,132.9

FIVE-YEAR FINANCIAL SUMMARY OF THE GROUP

	2019/20	2018/19	2017/18	2016/17	2015/16
CASH FLOW (\$ million)					
Cash flow from operations	2,751.7	2,827.4	2,745.6	2,583.4	2,929.9
Internally generated cash flow ^{R2}	3,077.2	3,115.8	2,958.5	2,707.2	3,501.4
Capital expenditure	5,103.5	5,562.3	5,209.5	3,944.7	2,909.0
PER SHARE DATA					
(Loss)/Earnings - basic (cents)	(17.9)	57.7	110.1	30.5	69.0
(Loss)/Earnings - diluted (cents)	(17.9)	57.4	109.7	30.3	68.7
Cash earnings (\$) ^{R3}	1.68	1.75	2.14	1.67	2.06
Net asset value (\$)	7.86	11.22	10.88	11.07	10.96
SHARE PRICE (\$)					
High	9.98	11.84	11.50	11.67	12.24
Low	5.28	9.14	9.66	9.60	9.57
Closing	5.74	9.66	10.84	10.07	11.42
DIVIDENDS					
Gross dividends (cents per share)	8.0	30.0	40.0	20.0	45.0
Dividend cover (times)	(2.2)	1.9	2.8	1.5	1.5
PROFITABILITY RATIOS (%)					
Return on equity holders' funds ^{R4}	(1.9)	5.2	10.8	2.8	6.4
Return on total assets ^{R5}	(0.5)	2.6	5.6	1.8	3.6
Return on turnover ^{R6}	(1.1)	4.4	8.5	3.0	5.6
PRODUCTIVITY AND EMPLOYEE DATA					
Value added (\$ million)	4,775.3	5,314.3	5,615.5	4,843.1	5,030.9
Value added per employee (\$) ^{R7}	172,899	200,283	216,806	192,232	206,608
Revenue per employee (\$) ^{R7}	578,439	615,181	610,251	590,160	625,819
Average employee strength	27,619	26,534	25,901	25,194	24,350
SGD per USD exchange rate as at 31 March	1.4243	1.3551	1.3120	1.3973	1.3494

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

^{R4} Return on equity holders' funds is the (loss)/profit attributable to owners of the Company expressed as a percentage of the average equity holders' funds.

^{R5} Return on total assets is the (loss)/profit after tax expressed as a percentage of the average total assets.

^{R6} Return on turnover is the (loss)/profit after tax expressed as a percentage of the total revenue.

^{R7} Based on average employee strength.

TEN-YEAR STATISTICAL RECORD

		2019/20	2018/19	2017/18 ^{R1}	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
SINGAPORE AIRLINES											
<u>FINANCIAL</u>											
Total revenue	(\$ million)	13,012.7	13,144.2	12,807.5	11,094.2	11,686.1	12,418.4	12,479.7	12,387.0	12,070.1	11,739.1
Total expenditure	(\$ million)	12,718.5	12,153.7	11,469.4	10,707.8	11,201.0	12,078.2	12,224.1	12,199.8	11,889.5	10,887.8
Operating profit	(\$ million)	294.2	990.5	1,338.1	386.4	485.1	340.2	255.6	187.2	180.6	851.3
(Loss)/Profit before taxation	(\$ million)	(290.3)	938.8	1,529.0	579.3	766.2	563.1	536.4	(682.4)	413.3	1,194.0
(Loss)/Profit after taxation	(\$ million)	(283.5)	779.1	1,324.6	514.0	672.0	540.3	538.5	(694.1)	390.2	1,011.2
Capital disbursements ^{R2}	(\$ million)	4,859.1	5,005.2	4,358.1	3,425.5	2,309.0	1,788.5	2,251.1	1,648.2	1,762.7	981.9
Passenger - yield	(cents/pkm)	10.0	10.1	10.2	10.3	10.6	11.2	11.1	11.4	11.8	11.9
- RASK	(cents/ask)	8.2	8.4	8.3	8.2	8.4	8.8	8.8	9.0	9.1	9.3
- unit cost	(cents/ask)	8.0	8.3	8.1	8.3	8.5	8.9	9.1	9.2	9.2	8.9
Cargo - yield	(cents/ltk)	30.5	31.7	30.0	25.9	29.0	32.8	32.7	33.4	34.9	36.2
- unit cost	(cents/ctk)	16.4	16.5	16.2	16.8	18.9	21.4	21.9	23.2	23.5	22.3
Overall - yield	(cents/ltk)	77.0	76.3	74.3							
- unit cost	(cents/ctk)	50.5	50.9	49.1							
<u>OPERATING FLEET</u>											
Aircraft (Passenger)	(numbers)	122	121	107	106	102	105	103	101	100	108
Average age (Passenger)	(months)	65	79	88	92	89	85	81	80	74	75
Freighter	(numbers)	7	7	7	7	9	8	9	12	13	11
Average age (Freighter)	(months)	196	184	172	160	164	150	147	140	135	110
<u>PRODUCTION</u>											
Destination cities (Passenger)	(numbers)	66	63	62	61	60	60	62	63	63	64
Distance flown (Passenger)	(million km)	433.6	420.9	402.9	388.6	382.3	384.4	392.2	386.3	374.6	354.1
Time flown (Passenger)	(hours)	590,699	581,582	529,907	512,439	506,757	508,591	517,987	507,562	490,261	460,096
Overall capacity	(million tonne-km)	23,745.0	23,694.6	23,043.3							
Passenger capacity	(million seat-km)	127,165.8	123,486.2	118,126.7	117,662.3	118,366.5	120,000.8	120,502.8	118,264.4	113,409.7	108,060.2
Cargo gross capacity	(million tonne-km)	10,778.2	11,210.4	11,126.7	10,912.3	10,513.3	10,024.9	10,273.6	10,661.0	11,286.5	11,208.5
<u>TRAFFIC</u>											
Passengers carried	('000)	20,906	20,738	19,505	18,990	19,029	18,737	18,628	18,210	17,155	16,647
Revenue passenger-km	(million)	104,134.6	102,571.9	95,855.0	92,913.8	94,267.4	94,209.2	95,064.3	93,765.6	87,824.0	84,801.3
Passenger load factor	(%)	81.9	83.1	81.1	79.0	79.6	78.5	78.9	79.3	77.4	78.5
Cargo and mail carried	(million kg)	1,205.0	1,298.3	1,301.2	1,248.1	1,170.1	1,124.0	1,117.8	1,144.6	1,205.8	1,156.4
Cargo load	(million tonne-km)	6,389.2	7,006.5	7,260.3	6,895.8	6,510.9	6,347.2	6,419.3	6,763.6	7,198.2	7,174.0
Cargo load factor	(%)	59.3	62.5	65.3	63.2	61.9	63.3	62.5	63.4	63.8	64.0
Overall load	(million tonne-km)	16,039.3	16,520.2	16,150.8							
Overall load factor	(%)	67.5	69.7	70.1							
<u>STAFF</u>											
Average strength	(numbers)	16,760	15,943	15,620	14,423	13,983	14,040	14,240	14,156	13,893	13,588
Capacity per employee ^{R3}	(tonne-km)	1,416,772	1,486,207	1,475,242							
Revenue per employee	(\$)	776,414	824,450	819,942	769,202	835,736	884,501	876,383	875,035	868,790	863,931
Value added per employee	(\$)	201,348	258,634	286,530	246,183	261,861	242,970	242,184	159,593	237,472	310,480

TEN-YEAR STATISTICAL RECORD

		2019/20	2018/19	2017/18 ^{R1}	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
SILKAIR											
Passengers carried	('000)	4,440	4,902	4,687	4,106	3,836	3,553	3,411	3,295	3,032	2,764
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	5,223.1	4,469.4	4,039.6
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	7,096.3	5,904.8	5,285.1
Passenger load factor	(%)	77.3	76.2	73.4	70.8	71.5	70.2	69.6	73.6	75.7	76.4
Passenger yield	(cents/pkm)	10.7	10.9	11.5	13.0	13.5	13.9	13.7	14.1	14.5	14.1
Revenue per available seat-km	(cents/ask)	8.2	8.3	8.4	9.2	9.6	9.8	9.5	10.4	11.0	10.8
Passenger unit cost	(cents/ask)	8.9	8.5	8.4	8.6	9.0	9.7	9.8	9.9	10.1	9.4
SCOOT^{R4}											
Passengers carried	('000)	10,454	10,455	9,467	8,503	7,540	7,018				
Revenue passenger-km	(million)	28,668.5	29,325.9	25,599.8	22,083.8	18,225.0	16,415.0				
Available seat-km	(million)	33,445.8	34,388.6	29,888.4	26,792.8	21,732.8	19,983.0				
Passenger load factor	(%)	85.7	85.3	85.7	82.4	83.9	82.1				
Passenger yield	(cents/pkm)	5.6	5.7	5.8	5.9	6.3	6.3				
Revenue per available seat-km	(cents/ask)	4.8	4.9	5.0	4.8	5.3	5.2				
Cost per available seat-km	(cents/ask)	5.4	5.2	4.9	4.8	5.3	5.9				
GROUP AIRLINES (PASSENGERS)											
Passengers carried	('000)	35,800	36,095	33,659	31,599	30,405	29,308	22,039	21,505	20,187	19,411
Revenue passenger-km	(million)	140,998.5	140,838.1	129,798.3	122,135.6	119,008.6	116,489.1	100,580.4	98,988.7	92,293.4	88,840.9
Available seat-km	(million)	171,211.2	169,606.6	159,381.0	154,541.4	149,217.1	148,339.0	128,429.7	125,360.7	119,314.5	113,345.3
Passenger load factor	(%)	82.4	83.0	81.4	79.0	79.8	78.5	78.3	79.0	77.4	78.4

^{R1} Operating statistics for FY2017/18 have been adjusted for adoption of IFRS and re-integration of SIA Cargo into the Parent Airline Company. Overall statistics for Singapore Airlines only shown with effect from FY2017/18.

^{R2} Capital disbursements comprised capital expenditure in property, plant and equipment, intangible assets, investments in subsidiaries, associated companies and joint venture companies, and additional long-term equity investments.

^{R3} Capacity per employee is defined as passenger and cargo capacity production (in tonnes) divided by Singapore Airlines' average staff strength.

^{R4} Operating statistics for Scoot only shown with effect from FY2014/15.

THE GROUP FLEET PROFILE

As at 31 March 2020, Singapore Airlines Group's operating fleet consisted of 203 aircraft - 196 passenger aircraft and 7 freighters. 122, 25 and 49 of the passenger aircraft were operated by Singapore Airlines, SilkAir and Scoot respectively

Aircraft type	Owned	Leased	Total	Average age in years (y) and months (m)	On firm order	On option/purchase rights
Singapore Airlines:						
777-300	5		5	16 y 4 m		
777-300ER	24	3	27	10 y 6 m		
A380-800	15	4	19	7 y 4 m		
A330-300		8	8	5 y 10 m		
A350-900 XWB	48		48	1 y 10 m	19	
787-10	15		15	1 y 4 m	29	6
777-9					20	6
Sub-total	107	15	122 ^{R1}	5 y 5 m	68	12
Singapore Airlines (Freighters):						
747-400F	7		7	16 y 4 m		
SilkAir:						
A319		2	2	10 y 0 m		
A320		6	6	8 y 2 m		
737-800	8	9	17	5 y 1 m		
737 MAX 8 ^{R2}					31	14 ^{R3}
Sub-total	8	17	25	6 y 2 m	31	14
Scoot:						
787-8	10		10	3 y 8 m	3	
787-9	10		10	3 y 5 m	2	
A320	4	22	26	7 y 10 m		
A320neo	1	2	3	1 y 0 m	30	11
A321neo					16	
Sub-total	25	24	49 ^{R4}	5 y 8 m	51	11
Total	147	56	203	5 y 11 m	150	37

Note: The operating fleet includes aircraft that were withdrawn from service for temporary storage due to significant capacity cuts arising from the Covid-19 pandemic.

^{R1} This excludes five 777-200As and two 777-200Rs on lease to other carriers.

^{R2} Six 737 MAX 8s were temporarily withdrawn from service on 12 March 2019 till further notice.

^{R3} These are purchase rights for Boeing model 737 MAX aircraft including 737 MAX 7, 737 MAX 8 or 737 MAX 9.

^{R4} This excludes aircraft on lease to other carriers.

INFORMATION ON SHAREHOLDINGS

As at 9 June 2020

No. of Issued Shares	:	2,977,543,505
No. of Issued Shares (excluding Treasury Shares)	:	2,962,820,811
No./Percentage of Treasury Shares	:	14,722,694 (0.49%)
No./Percentage of Subsidiary Holdings*	:	0 (0%)
Class of Shares	:	Ordinary shares
		One special share held by the Minister for Finance
Voting Rights (excluding Treasury Shares)	:	1 vote for 1 share

* 'Subsidiary holdings' is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

Range of shareholdings	Number of shareholders	%	Number of shares	%
1 - 99	297	0.43	9,749	0.00
100 - 1,000	17,988	25.94	12,853,070	0.43
1,001 - 10,000	41,883	60.40	175,035,174	5.91
10,001 - 1,000,000	9,143	13.19	267,707,411	9.04
1,000,001 and above	26	0.04	2,507,215,407	84.62
Total	69,337	100.00	2,962,820,811	100.00

Twenty largest shareholders

	Name	Number of shares	% ¹
1	Napier Investments Pte. Ltd.	985,959,900	33.27
2	Temasek Holdings (Private) Limited	657,306,600	22.18
3	DBS Nominees Pte Ltd	276,634,932	9.34
4	Citibank Nominees Singapore Pte Ltd	246,814,085	8.33
5	DBSN Services Pte. Ltd.	79,460,058	2.68
6	Raffles Nominees (Pte) Limited	56,871,339	1.92
7	HSBC (Singapore) Nominees Pte Ltd	54,451,675	1.84
8	United Overseas Bank Nominees Private Limited	31,663,119	1.07
9	Morgan Stanley Asia (Singapore) Securities Pte Ltd	17,947,022	0.61
10	BPSS Nominees Singapore (Pte.) Ltd.	15,082,661	0.51
11	BNP Paribas Nominees Singapore Pte Ltd	12,600,834	0.43
12	Phillip Securities Pte Ltd	12,354,681	0.42
13	OCBC Nominees Singapore Pte Ltd	10,346,262	0.35
14	OCBC Securities Private Limited	9,511,308	0.32
15	UOB Kay Hian Private Limited	9,320,342	0.31
16	DB Nominees (Singapore) Pte Ltd	5,092,506	0.17
17	DBS Vickers Securities (Singapore) Pte Ltd	4,289,070	0.15
18	IFAST Financial Pte Ltd	4,020,862	0.14
19	Societe Generale Singapore Branch	3,395,379	0.11
20	Maybank Kim Eng Securities Pte. Ltd.	3,009,956	0.10
	Total	2,496,132,591	84.25

Substantial shareholders (as shown in the Register of Substantial Shareholders)

Substantial shareholder	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ¹	No. of Shares	% ¹	No. of Shares	% ¹
Temasek Holdings (Private) Limited	657,306,600	22.18	994,679,097 ²	33.57	1,651,985,697	55.75
Tembusu Capital Pte. Ltd.	–	–	986,754,900 ³	33.30	986,754,900	33.30
Napier Investments Pte. Ltd.	985,959,900	33.27	–	–	985,959,900	33.27

¹ Based on 2,962,820,810 ordinary shares issued as at 9 June 2020 (this is based on 2,977,543,504 shares issued as at 9 June 2020, excluding the 14,722,694 Shares held in treasury as at 9 June 2020). Figures are rounded down to the nearest 0.01% and any discrepancies in aggregated figures are due to rounding.

² Temasek Holdings (Private) Limited is deemed to be interested in 994,679,097 shares in which its subsidiaries and associated companies have direct or deemed interests.

³ Tembusu Capital Pte. Ltd. is deemed to be interested in 986,754,900 shares in which its subsidiaries have direct or deemed interests.

Shareholdings held by the public

Based on the information available to the Company as at 9 June 2020, 44.14% of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Listing Manual issued by SGX-ST is complied with.

SHARE PRICE AND TURNOVER



Share Price (\$)	2019/20	2018/19
High	9.98	11.84
Low	5.28	9.14
Closing	5.74	9.66
Market Value Ratios ^{R1}		
Price/Earnings	(32.08)	16.74
Price/Book value	0.73	0.86
Price/Cash earnings ^{R2}	3.42	5.52

^{R1} Based on closing price on 31 March and Group numbers.

^{R2} Cash earnings is defined as (loss)/profit attributable to owners of the Company plus depreciation, amortisation and impairment.

ADDITIONAL INFORMATION REQUIRED BY THE SINGAPORE EXCHANGE SECURITIES

1 Interested Person Transactions

The aggregate values of all Interested Person Transactions ("IPTs") entered into during the Financial Year 2019/20 are as follows:

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S\$)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (S\$)
CapitaLand Limited Group		
1) ASB Sydney Goulburn Trust	–	499,101
2) Ascendas Hotel Investment Company Pty Ltd	–	3,087,882
3) Ascendas Real Estate Investment Trust	–	2,163,353
4) Orchard Turn Retail Investment Pte Ltd	–	7,470,443
Certis CISCO Group		
1) AJI International Pte Ltd	–	236,867
2) Certis CISCO Aviation Security Pte. Ltd.	–	1,237,479
3) SNP Security	–	330,730
4) Synergy FMI Pte. Ltd.	–	4,514,026
KrisShop Pte Ltd	2,275,000*	23,363,689
LinHart Group Pte Ltd	476,000**	–
SATS Ltd Group		
1) Air India SATS Airport Services Private Limited	–	9,923,231
2) Asia Airfreight Terminal Co Ltd	–	4,350,902
3) MacroAsia Catering Services Inc.	–	5,371,482
4) Maldives Inflight Catering Private Limited	–	1,998,536
5) Mumbai Cargo Service Centre Airport Private Limited	–	2,436,969
6) PT Jas Aero-Engineering Services	–	5,043,534
7) PT Jasa Angkasa Semesta Tbk	–	17,313,866
8) SATS Aero Laundry Pte. Ltd.	–	16,866,881
9) SATS Asia-Pacific Star Pte. Ltd.	–	583,028
10) SATS Catering Pte. Ltd.	–	1,330,883
11) SATS HK Limited	–	3,990,150
12) SATS Ltd	487,500^	765,944,407
13) SATS Security Services Private Limited	–	28,214,510
14) Taj Madras Flight Kitchen Private Limited	–	556,492
15) Taj SATS Air Catering Ltd	–	5,268,342
16) TFK Corporation	–	9,296,613
Singapore Technologies Engineering Limited Group		
1) ST Aerospace Services Co Pte. Ltd.	–	3,163,488
Singapore Telecommunications Limited Group		
1) Optus Networks Pty Limited	–	580,388
2) Singapore Telecommunications Limited	–	2,175,341

ADDITIONAL INFORMATION REQUIRED BY THE SINGAPORE EXCHANGE SECURITIES

1 Interested Person Transactions (continued)

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S\$)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (S\$)
StarHub Ltd Group		
1) Ensign InfoSecurity (Singapore) Pte. Ltd.	—	1,076,353
2) Ensign InfoSecurity (Systems) Pte. Ltd.	—	3,358,206
3) StarHub Ltd	—	116,890
TeleChoice International Limited Group		
1) S & I Systems Pte Ltd	—	440,587
Temasek Holdings (Private) Limited and Associates		
1) 1-Net Singapore Pte Ltd	—	117,810
2) Gate Gourmet Services Pty Ltd	—	3,922,190
3) Gategroup Trading Hong Kong Ltd	—	719,550
4) MediaCorp Pte Ltd	—	117,843
5) Singapore Zoological Gardens	—	138,046
6) SingEx Venues International Pte Ltd	—	150,500
Total	3,238,500	937,470,588

* Singapore Airlines Ltd's subscription of 2,275,000 shares in the capital of KrisShop Pte. Ltd. ("KrisShop") at an aggregate consideration not exceeding \$2,275,000.

** Provision of leadership development and training programme.

^ SATS Ltd's subscription of 487,500 shares in the capital of KrisShop at an aggregate consideration not exceeding \$487,500.

2 Material Contracts

As a material contract, an undertaking dated 26 March 2020 was given by Tembusu Capital Pte. Ltd., a wholly-owned subsidiary of Temasek Holdings (Private) Limited, to the Company in connection with the Rights Issue announced on the same day.

Except as disclosed above and in the financial statements for the financial year ended 31 March 2020, there were no material contracts entered into by the Company and its subsidiary companies involving the interests of the Chief Executive Officer, Directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

3 Use of Proceeds from Issue of Retail Bonds

On 28 March 2019, the Company issued \$750 million 3.03% per annum Bonds due 28 March 2024 under the \$2 billion Medium Term Bond Programme.

The gross proceeds from the issue and offering of the Bonds have been fully utilised in accordance with the intended use of proceeds stated in the Pricing Supplement relating to the Bonds.

4 Use of Proceeds from Issue of Rights Shares and Mandatory Convertible Bonds

On 8 June 2020, the Company received \$8.8 billion, comprising \$5.3 billion from the issuance of Rights Shares at an issue price of \$3.00 for each Rights Share and \$3.5 billion from the issuance of Rights Mandatory Convertible Bonds (the "Rights MCBs") at an issue price of 100 per cent of the principal amount of the Rights MCBs.

As at 9 June 2020, approximately \$5.1 million of the gross proceeds from the Rights Issue have been applied towards payment of fees and expenses incurred in connection with the Rights Issue. The Company will make further announcements on the use of the remaining proceeds of the Rights Issue until such proceeds have been fully utilised.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE AIRLINES LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
COMPANY REGISTRATION NO. 197200078R

IMPORTANT:

The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of Annual General Meeting will not be sent to members. Instead, this Notice of Annual General Meeting will be sent to members by electronic means via publication on the Company's website at the URL <http://www.singaporeair.com/shareholder>. This Notice of Annual General Meeting will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Notice is hereby given that the Forty-Eighth Annual General Meeting of Singapore Airlines Limited ("the **Company**") will be convened and held by electronic means on Monday, 27 July 2020 at 10.00 a.m. (Singapore time) to transact the following business:

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2020 and the Auditors' Report thereon.
2. To re-elect the following Directors who are retiring by rotation in accordance with Article 91 of the Company's Constitution and who, being eligible, offer themselves for re-election:
 - (a) Mr Simon Cheong Sae Peng
 - (b) Mr Goh Choon Phong
 - (c) Mr Hsieh Tsun-yan
3. To approve Directors' emoluments of up to S\$2,000,000 for the financial year ending 31 March 2021 (FY2019/20: up to S\$2,400,000).
4. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

Special Business

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

5. That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors of the Company (the "**Directors**") to:
 - (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

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

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

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE AIRLINES LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
COMPANY REGISTRATION NO. 197200078R

(ii) any subsequent bonus issue or consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

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

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

provided that:

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

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

7. That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited for the Company, its subsidiaries and associated companies that are "entities at risk" (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Letter to Shareholders dated 3 July 2020 (the "**Letter**") with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above (the "**IPT Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

8. That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company (the “**Directors**”) of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”); and/or
- (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

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

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held;
- (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
- (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;

- (c) in this Resolution:

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

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE AIRLINES LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
COMPANY REGISTRATION NO. 197200078R

9. That:

- (a) authority be and is hereby given to the Directors of the Company (the “**Directors**”) to:
- (i) issue up to S\$6.2 billion in aggregate principal amount of mandatory convertible bonds (the “**Additional MCBs**”), on terms that are substantially similar to that set out in Appendix 2 of the circular to shareholders of the Company dated 15 April 2020 (the “**Circular**”), at any time and upon such other terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit (such Additional MCBs to be convertible into new ordinary shares of the Company (“**Shares**”) (the “**Additional MCB Conversion Shares**”) at a conversion price (the “**Additional MCBs Conversion Price**”) to be determined by the Directors based on the terms set out in Appendix 2 of the Circular, subject to such adjustments and in accordance with such other terms and conditions as the Directors may in their absolute discretion and from time to time think fit); and
 - (ii) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) allot and issue:
 - (1) upon conversion of the Additional MCBs, such number of Additional MCB Conversion Shares as may be required or permitted to be allotted and issued on the conversion of the Additional MCBs, subject to and otherwise in accordance with such terms and conditions of the Additional MCBs, being issued and credited as fully-paid and which rank *pari passu* in all respects with the then existing Shares, save as may otherwise be provided in the terms and conditions of the Additional MCBs; and
 - (2) on the same basis as paragraph (a)(ii)(1) above, such further Additional MCB Conversion Shares as may be required to be allotted and issued on the conversion of any of the Additional MCBs upon the adjustment of the Additional MCBs Conversion Price in accordance with the terms and conditions of the Additional MCBs, being issued and credited as fully-paid and which rank *pari passu* in all respects with the then existing Shares, save as may otherwise be provided in the terms and conditions of the Additional MCBs;
 - (b) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution; and
 - (c) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next Annual General Meeting of the Company; (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or (iii) the date falling 15 months from 30 April 2020, whichever is the earliest.

By Order of the Board

Brenton Wu
Company Secretary
3 July 2020
Singapore

Explanatory notes

1. In relation to Ordinary Resolution Nos. 2(a), 2(b) and 2(c), Mr Simon Cheong Sae Peng will, upon re-election, continue to serve as Chairman of the Customer Experience, Technology and Sustainability Committee and a member of the Board Compensation and Industrial Relations Committee. Mr Goh Choon Phong will, upon re-election, continue to serve as a member of the Board Executive Committee and the Customer Experience, Technology and Sustainability Committee. Mr Hsieh Tsun-yan will, upon re-election, continue to serve as a member of the Board Executive Committee, the Board Audit Committee and the Board Compensation and Industrial Relations Committee. Mr Cheong and Mr Hsieh are considered independent Directors. Mr Goh, who is the Chief Executive Officer, is considered a non-independent Director. Please refer to pages 226 to 231 of the Annual Report FY2019/20 for information relating to each of these Directors, as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).
2. Ordinary Resolution No. 3, if passed, will facilitate the payment of S\$2,000,000 as Directors’ fees during the financial year in which the fees are incurred, that is, during the financial year ending 31 March 2021 (“**FY2020/21**”) (S\$2,400,000 for the previous financial year). Directors’ fees are computed based on the anticipated number of Board and Committee meetings for FY2020/21, assuming full attendance by all of the non-executive Directors. The amount also caters for any fee increases and unforeseen circumstances, for example, the appointment of additional Directors, additional unscheduled Board meetings and/or the formation of additional Board Committees. The amount also includes transport and travel benefits to be provided to the non-executive Directors. In the event that the amount proposed is insufficient, approval will be sought at the next Annual General Meeting in year 2021 (“**2021 AGM**”) before payments are made to Directors for the shortfall. Mr Goh Choon Phong, being the Chief Executive Officer, does not receive any Director’s fees.

The current intention is that the Directors' fees for non-executive Directors for FY2020/21 will comprise a cash component and a share component, with approximately 30% being paid out in the form of awards under the SIA Restricted Share Plan 2014. Any such award would typically consist of the grant of fully paid shares outright with no performance or vesting conditions attached, but with a selling moratorium of one year. Non-executive Directors would eventually be required to hold shares (including shares obtained by other means) worth a minimum of the annual basic retainer fees (currently S\$90,000) as the shares paid out to them as part of their remuneration in lieu of cash accumulate over time.

The cash component of the Directors' fees for FY2020/21 is intended to be paid quarterly in arrears. The share component of the Directors' fees for FY2020/21 is intended to be paid after the 2021 AGM has been held. The actual number of shares to be awarded to each non-executive Director holding office at the time of the payment is intended to be determined by reference to the volume weighted average price of a share on the SGX-ST over the 10 trading days from (and including) the day on which the shares are first quoted ex-dividend after the 2021 AGM (or, if no final dividend is proposed at the 2021 AGM, or the resolution to approve any such final dividend is not approved at the 2021 AGM, over the 10 trading days immediately following the date of the 2021 AGM). The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash. A non-executive Director who steps down before the payment of the share component will receive all of his Directors' fees for FY2020/21 (calculated on a pro-rated basis, where applicable) in cash.

3. Ordinary Resolution No. 5, if passed, will empower the Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments. The number of shares which the Directors may issue under this Resolution will not exceed 50% of the issued shares (excluding treasury shares and subsidiary holdings), with a sub-limit of 5% for issues other than on a *pro rata* basis. The 5% sub-limit for non-*pro rata* issues is lower than the 20% sub-limit allowed under the Listing Manual of the SGX-ST. For the purpose of determining the aggregate number of shares which may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible instruments or share options or vesting of share awards which were issued and are outstanding at the time this Ordinary Resolution is passed and (b) any subsequent bonus issue or consolidation or subdivision of shares. For the avoidance of doubt, shareholders' approval will be required for any consolidation or subdivision of shares. As at 9 June 2020, the Company had 14,722,694 treasury shares and no subsidiary holdings.
4. Ordinary Resolution No. 6, if passed, will empower the Directors to grant awards pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014, and to allot and issue ordinary shares of the Company pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014.

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

The total number of ordinary shares which may be delivered pursuant to awards granted under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 (whether in the form of ordinary shares or in the form of cash in lieu of ordinary shares) shall not exceed 5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time. In addition, Ordinary Resolution No. 6 will also provide that the total number of ordinary shares under awards to be granted pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 from this Annual General Meeting to the next Annual General Meeting (the "**Relevant Year**") shall not exceed 0.5% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"), provided that if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used by the Directors to make grants of awards under the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 in subsequent years, for the duration of the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014 respectively.

5. Ordinary Resolution No. 7, if passed, will renew the mandate to allow the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST) or any of them, to enter into certain interested person transactions with certain classes of interested persons as described in the Appendix to the Letter to Shareholders dated 3 July 2020 (the "**Letter**"). The authority will, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company. Please refer to the Letter (which is also available on the Company's website at the URL <http://www.singaporeair.com/shareholder>) for more details.
6. Ordinary Resolution No. 8, if passed, will renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

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

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Buy Back Mandate on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 March 2020, based on certain assumptions, are set out in paragraph 3.7 of the Letter.

Please refer to the Letter for more details.

7. At the extraordinary general meeting of the Company held on 30 April 2020 ("**30 April EGM**"), the Company had sought and obtained shareholders' approval for, *inter alia*, the issuance of the Additional MCBs and Additional MCB Conversion Shares ("**Additional Issue**"). Such authority will expire at the forthcoming Forty-Eighth Annual General Meeting of the Company ("**AGM**") or at the date by which the Company is required to hold the AGM, whichever is the earlier. As disclosed in the Circular, in the event that the Company wishes to undertake the Additional Issue after such expiry date, the Company will seek shareholders' approval to renew the authority in respect of the Additional Issue at the AGM. A wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**") (namely, Tembusu Capital Pte. Ltd.) has undertaken to the Company to procure the voting of more than 50% of the total issued shares of the Company in favour of the resolution relating to such renewal, subject to the authority expiring on, *inter alia*, the Long Stop Date (as defined below).

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE AIRLINES LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
COMPANY REGISTRATION NO. 197200078R

Ordinary Resolution No. 9, if passed, will empower the Directors to issue up to S\$6.2 billion in aggregate principal amount of Additional MCBs, on terms that are substantially similar to those set out in Appendix 2 of the Circular, as well as allot and issue such number of Additional MCB Conversion Shares as may be required or permitted to be allotted and issued on the conversion of Additional MCBs, subject to and otherwise in accordance with the terms and conditions of the Additional MCBs.

As disclosed in the Circular, the Company may undertake a further issuance of up to approximately S\$6.2 billion in aggregate principal amount of Additional MCBs, the key terms of which are set out in Appendix 2 of the Circular, and to be offered by the Company to shareholders on a *pro-rata* basis by way of one or more further rights issues at such future dates and times as may be determined by the Company at its sole discretion. The Company envisages that any such further issuance will, if undertaken, take place prior to the date falling 15 months from the date of the 30 April EGM (the "**Long Stop Date**").

The Additional MCBs will be convertible into Additional MCB Conversion Shares, which when issued and delivered will rank *pari passu* with the existing Shares at such relevant times, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of registration of the Additional MCB Conversion Shares.

Please refer to the Circular (which is also available on the Company's website at the URL <http://www.singaporeair.com/shareholder>) for further details on the Additional MCBs.

Notes:

1. The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's website at the URL <http://www.singaporeair.com/shareholder>. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 3 July 2020. This announcement may be accessed at the Company's website at the URL <http://www.singaporeair.com/shareholder>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. Due to the current COVID-19 situation in Singapore, a member will not be allowed to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting. The accompanying proxy form for the Annual General Meeting may be accessed at the Company's website at the URL <http://www.singaporeair.com/shareholder>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote must approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 July 2020, in order to enable their respective CPF Agent Banks or SRS Operators to submit proxy forms on their behalf not less than 72 hours before the time appointed for holding the Annual General Meeting.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or
 - (b) if submitted electronically, be sent via email to the Company's Share Registrar at GPE@mncsingapore.com,

in either case not less than 72 hours before the time appointed for holding the Annual General Meeting.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

6. The Annual Report FY2019/20 and the Letter to Shareholders dated 3 July 2020 (in relation to the proposed renewal of the mandate for interested person transactions and the proposed renewal of the share buy back mandate) may be accessed at the Company's website at the URL <http://www.singaporeair.com/shareholder> as follows:
 - (a) the Annual Report FY2019/20 may be accessed by clicking on the hyperlink for "Annual Report FY2019/20" under "Annual General Meeting (27 July 2020)"; and
 - (b) the Letter to Shareholders dated 3 July 2020 may be accessed by clicking on the hyperlink for "Letter to Shareholders" under "Annual General Meeting (27 July 2020)".

The above documents will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.



Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Mr Simon Cheong Sae Peng, Mr Goh Choon Phong and Mr Hsieh Tsun-yan as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is disclosed below:

Name of Director	Simon Cheong Sae Peng	Goh Choon Phong	Hsieh Tsun-yan
Date of Appointment	1 June 2017	1 October 2010	1 September 2012
Date of last re-appointment (if applicable)	28 July 2017	27 July 2018	27 July 2018
Age	63	56	67
Country of Principal Residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After due consideration, the Board concurs with the Nominating Committee's views that Mr Cheong, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience, independence and commitment in the discharge of his duties as a Director. This is especially in view of Mr Cheong's decades of experience in real estate, banking and international finance. Mr Cheong will continue to contribute in the areas of lifestyle preferences of premium customers, banking and international finance.	After due consideration, the Board concurs with the Nominating Committee's views that Mr Goh, being the Chief Executive Officer, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience and commitment in the discharge of his duties as the Chief Executive Officer of Singapore Airlines Limited.	After due consideration, the Board concurs with the Nominating Committee's views that Mr Hsieh, if re-elected, will continue to provide valuable insights and contributions to the Board, given his skills, experience, independence and commitment in the discharge of his duties as a Director. This is especially in view of Mr Hsieh's extensive experience in international business, leadership development and corporate transformation. Mr Hsieh will continue to contribute in the areas of strategy, leadership and organizational processes.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive – Mr Goh is the Chief Executive Officer of Singapore Airlines Limited	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> Independent and Non-Executive Director Chairman of Customer Experience, Technology and Sustainability Committee Member of Board Compensation and Industrial Relations Committee 	<ul style="list-style-type: none"> Non-Independent and Executive Director Member of Board Executive Committee Member of Customer Experience, Technology and Sustainability Committee 	<ul style="list-style-type: none"> Independent and Non-Executive Director Member of Board Audit Committee Member of Board Compensation and Industrial Relations Committee Member of Board Executive Committee
Professional Qualifications	<ul style="list-style-type: none"> Master of Business Administration in Finance and Investments, <i>George Washington University</i> Bachelor of Science in Civil Engineering, <i>University of Washington</i> 	<ul style="list-style-type: none"> Master of Science in Electrical Engineering and Computer Science Bachelor of Science in Computer Science & Engineering Bachelor of Science in Management Science Bachelor of Science in Cognitive Science <i>Massachusetts Institute of Technology</i>	<ul style="list-style-type: none"> Master of Business Administration, <i>Harvard University</i> Bachelor of Science in Mechanical Engineering, <i>University of Alberta</i>

Name of Director	Simon Cheong Sae Peng	Goh Choon Phong	Hsieh Tsun-yan
Working experience and occupation(s) during the past 10 years	Mr Cheong is Founder and Chairman of SC Global Developments Pte Ltd, a leading luxury high-end residential developer in Singapore. He has more than 38 years of experience in real estate, banking and international finance.	Mr Goh is the Chief Executive Officer of Singapore Airlines Limited. He joined the Company in 1990 and has held senior management positions in various divisions in Singapore and overseas, ranging from Marketing to Information Technology to Finance and Cargo. Prior to his appointment as Chief Executive Officer, Mr Goh was Executive Vice President for Marketing and the Regions and also served as President of Singapore Airlines Cargo Pte Ltd from 2006 to 2010, Senior Vice President Finance, from 2004 to 2006, and Senior Vice President Information Technology, from 2003 to 2004.	Mr Hsieh is the Chairman and Lead Counselor of Linhart Group, a leadership solutions firm founded by Mr Hsieh in 2008. Mr Hsieh has extensive experience in business strategy, leadership development and corporate transformation. He was previously with management consulting firm, McKinsey & Company, for 28 years and held posts in Singapore, Toronto and Copenhagen.
Shareholding interest in Singapore Airlines Limited and its subsidiaries as at 9 June 2020 (the Latest Practicable Date)	17,175 ordinary shares of Singapore Airlines Limited	2,830,500 ordinary shares of Singapore Airlines Limited SIA Restricted Share Plan ("RSP") 2014 <ul style="list-style-type: none"> • Base Award – 75,000 • Pending release – 55,800 SIA Deferred RSP 2014 Award <ul style="list-style-type: none"> • Base Award – 44,600 SIA Transformation RSP 2014 Award <ul style="list-style-type: none"> • Base Award – 80,295 • Pending release – 41,500 SIA Performance Share Plan 2014 <ul style="list-style-type: none"> • Base Award – 235,250 	15,250 ordinary shares of Singapore Airlines Limited
Any relationship (including immediate family relationships) with any existing director, existing executive officer, Singapore Airlines Limited and/or substantial shareholder of Singapore Airlines Limited or of any of its principal subsidiaries	No	No	No
Conflict of interests (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to Singapore Airlines Limited	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Simon Cheong Sae Peng	Goh Choon Phong	Hsieh Tsun-yan
Other Principal Commitments including Directorships			
Past (for the last 5 years):	Nil	<p>Other listed company: <u>Director</u></p> <ul style="list-style-type: none"> Virgin Australia Holdings Limited <p>Other principal commitments: <u>Chairman, Board of Governors</u></p> <ul style="list-style-type: none"> International Air Transport Association <p><u>Director</u></p> <ul style="list-style-type: none"> Mount Alvernia Hospital <p><u>Member, Care & Share @SG50 Steering Committee</u></p> <ul style="list-style-type: none"> National Council of Social Service 	<p>Other principal commitments: <u>Director</u></p> <ul style="list-style-type: none"> Singapore Institute of Management Holdings Pte Ltd <p><u>Member, Governing Board</u></p> <ul style="list-style-type: none"> Duke-NUS Medical School Singapore
Present:	<p>Other listed company: <u>Chairman</u></p> <ul style="list-style-type: none"> AV Jennings Limited <p>Other principal commitments: <u>Founder and Chairman</u></p> <ul style="list-style-type: none"> SC Global Developments Pte. Ltd. <p><u>Director</u></p> <ul style="list-style-type: none"> Cheong SP Holdings Pte Ltd MYK Holdings Pte. Ltd. 	<p>Other listed companies: <u>Director</u></p> <ul style="list-style-type: none"> Mastercard Incorporated SIA Engineering Company Limited <p>Other principal commitments: <u>Chairman</u></p> <ul style="list-style-type: none"> Budget Aviation Holdings Pte. Ltd. <p><u>Executive Committee Member</u></p> <ul style="list-style-type: none"> Association of Asia Pacific Airlines <p><u>Member, Board of Governors</u></p> <ul style="list-style-type: none"> International Air Transport Association <p><u>Member, Board of Trustees</u></p> <ul style="list-style-type: none"> National University of Singapore <p><u>Member</u></p> <ul style="list-style-type: none"> Massachusetts Institute of Technology Presidential CEO Advisory Board 	<p>Other listed company: <u>Director</u></p> <ul style="list-style-type: none"> Manulife Financial Corporation, Canada <p>Other principal commitments: <u>Chairman</u></p> <ul style="list-style-type: none"> LinHart Group Pte Ltd Manulife US Real Estate Management Pte Ltd <p><u>Provost Chair Professor</u></p> <ul style="list-style-type: none"> Lee Kuan Yew School of Public Policy, Singapore <p><u>Provost Chair Professor (Practice) and Member, Management Advisory Board</u></p> <ul style="list-style-type: none"> National University of Singapore Business School <p><u>Vice Chairman</u></p> <ul style="list-style-type: none"> SIM Governing Council <p><u>Director</u></p> <ul style="list-style-type: none"> Singapore Institute of Management Group Limited The Manufacturers Life Insurance Company <p><u>Member</u></p> <ul style="list-style-type: none"> Institute of Policy Studies Academic Panel, Singapore

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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Simon Cheong Sae Peng	Goh Choon Phong	Hsieh Tsun-yan
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No

Name of Director	Simon Cheong Sae Peng	Goh Choon Phong	Hsieh Tsun-yan
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

This page has been intentionally left blank.



Proxy Form

Annual General Meeting

Singapore Airlines Limited

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

IMPORTANT:

- The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of Annual General Meeting will not be sent to members. Instead, the Notice of Annual General Meeting will be sent to members by electronic means via publication on the Company's website at the URL <http://www.singaporeair.com/shareholder>. The Notice of Annual General Meeting will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 3 July 2020. This announcement may be accessed at the Company's website at the URL <http://www.singaporeair.com/shareholder>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- Due to the current COVID-19 situation in Singapore, a member will not be allowed to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.**
- CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote must approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 July 2020, in order to enable their respective CPF Agent Banks or SRS Operators to submit proxy forms on their behalf not less than 72 hours before the time appointed for holding the Annual General Meeting.
- By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 3 July 2020.
- Please read the notes on leaflet which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.**

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

of _____ (Address)

being a member/members of Singapore Airlines Limited (the "**Company**") hereby appoint the Chairman of the Meeting as *my/our proxy to attend, speak and vote for *me/us on *my/our behalf at the Forty-Eighth Annual General Meeting of the Company ("**Annual General Meeting**") of the Company to be convened and held by way of electronic means on Monday, 27 July 2020 at 10.00 a.m. (Singapore time) and at any adjournment thereof in the following manner:

Ordinary Business

No.	Resolutions	For	Against	Abstain
1	Adoption of the Directors' Statement, Audited Financial Statements and Auditors' Report for the year ended 31 March 2020			
2	Re-election of Directors in accordance with Article 91:			
	(a) Mr Simon Cheong Sae Peng			
	(b) Mr Goh Choon Phong			
	(c) Mr Hsieh Tsun-yan			
3	Approval of Directors' emoluments for the financial year ending 31 March 2021			
4	Re-appointment of Auditors and authority for the Directors to fix their remuneration			

Special Business

No.	Resolutions	For	Against	Abstain
5	Authority for Directors to issue shares and to make or grant instruments convertible into shares pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore			
6	Authority for Directors to grant awards, and to allot and issue shares, pursuant to the SIA Performance Share Plan 2014 and the SIA Restricted Share Plan 2014			
7	Renewal of the Mandate for Interested Person Transactions			
8	Renewal of the Share Buy Back Mandate			
9	Authority for Directors to issue additional mandatory convertible bonds and additional conversion shares			

NOTE: Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with a tick (✓) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with a tick (✓) in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

* Delete accordingly

Dated this _____ day of _____ 2020.

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

Total Number of Shares Held: _____

Important: Please read notes on the reverse side

Please glue and seal along this edge

Please glue and seal along this edge



Notes:

1. If a member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the member.

2. **Due to the current COVID-19 situation in Singapore, a member will not be allowed to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** This proxy form may be accessed at the Company's website at the URL <http://www.singaporeair.com/shareholder>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote must approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 July 2020, in order to enable their respective CPF Agent Banks or SRS Operators to submit proxy forms on their behalf not less than 72 hours before the time appointed for holding the Annual General Meeting.

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

in either case not less than 72 hours before the time appointed for holding the Annual General Meeting.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

2nd Fold

**Postage will be
paid by
addressee.
For posting in
Singapore only.**

**BUSINESS REPLY SERVICE
PERMIT NO. 04910**



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

CORPORATE DATA

BOARD OF DIRECTORS

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

EXECUTIVE MANAGEMENT

Head Office

Goh Choon Phong Chief Executive Officer	Vanessa Ng Wee Leng Senior Vice President Human Resources
Mak Swee Wah Executive Vice President Commercial (until 31 March 2020)	George Wang Wei Jun Senior Vice President Information Technology
Executive Vice President Operations (from 1 April 2020)	Tan Jo-Ann Acting Senior Vice President Marketing Planning (from 1 April 2020)
Lee Lik Hsin Executive Vice President Commercial (from 1 April 2020)	Campbell David McGregor Wilson Senior Vice President Sales & Marketing (until 31 March 2020)
Ng Chin Hwee Executive Vice President Human Resources & Operations (until 31 March 2020)	Overseas Regions
Tan Kai Ping Senior Vice President Marketing Planning (until 31 March 2020)	Lee Sek Eng Regional Vice President Americas (until 23 October 2019)
Executive Vice President Finance & Strategy (from 1 April 2020)	Regional Vice President Europe (from 24 October 2019)
Tan Pee Teck Senior Vice President Cabin Crew	Joey Seow Eng Wan Regional Vice President Americas (from 16 October 2019)
Chin Yau Seng Senior Vice President Cargo	Regional Vice President West Asia & Africa (until 15 October 2019)
Lee Wen Fen Senior Vice President Corporate Planning	Subhas Menon Regional Vice President Europe (until 1 December 2019)
Yeoh Phee Teik Senior Vice President Customer Experience	Tan Tiow Kor Regional Vice President North Asia
Marvin Tan Meng Hung Senior Vice President Customer Services & Operations	Lim Wee Kok Regional Vice President South East Asia
Lau Hwa Peng Senior Vice President Engineering	Philip Goh Ser Miang Regional Vice President South West Pacific
Stephen Barnes Senior Vice President Finance	David Lau Tiang Meng Regional Vice President West Asia & Africa (from 28 September 2019)
Quay Chew Eng Senior Vice President Flight Operations	

BOARD COMMITTEES

Board Executive Committee

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

Board Audit Committee

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

Board Compensation and Industrial Relations Committee

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

Board Nominating Committee

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

Board Safety and Risk Committee

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

Customer Experience, Technology and Sustainability Committee

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

Company Secretary

Share Registrar	M & C Services Private Limited 112 Robinson Road #05-01 Singapore 068902
------------------------	--

Auditors	KPMG LLP Public Accountants and Chartered Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
-----------------	--

Audit Partner	Malcolm Ramsay (from the audit of the financial statements for the year ended 31 March 2018)
----------------------	---

Registered Office	Airline House 25 Airline Road Singapore 819829
--------------------------	--

SENIOR MANAGEMENT, MAJOR SUBSIDIARIES

Png Kim Chiang Chief Executive Officer SIA Engineering Company Limited (until 31 March 2020)

Ng Chin Hwee Chief Executive Officer SIA Engineering Company Limited (from 1 April 2020)

Lee Lik Hsin Chief Executive Officer Budget Aviation Holdings Pte. Ltd. (until 31 March 2020)
--

Campbell David McGregor Wilson Chief Executive Officer Budget Aviation Holdings Pte. Ltd. (from 1 April 2020)
--

Foo Chai Woo Chief Executive SilkAir (Singapore) Private Limited
--

FINANCIAL CALENDAR

- **31 March 2020**
Financial Year End
- **30 April 2020**
Extraordinary General Meeting in relation to the Rights Issue
- **14 May 2020**
Announcement of FY2019/20 Full Year Results
- **3 July 2020**
Publication of Annual Report and Letter to Shareholders
- **27 July 2020**
Annual General Meeting
- **29 July 2020**
Announcement of FY2020/21 First Quarter Results
- **6 November 2020**
Announcement of FY2020/21 Second Quarter and Half-Year Results

SINGAPORE AIRLINES LIMITED

Singapore Company Reg. No.: 197200078R
Airline House
25 Airline Road
Singapore 819829

COMPANY SECRETARY

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

INVESTOR RELATIONS

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

PUBLIC AFFAIRS

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



A STAR ALLIANCE MEMBER



www.singaporeair.com