SIA ENGINEERING COMPANY

GROWING SUSTAINABLY

CORPORATE PROFILE

Listed on the mainboard of the Singapore Exchange in 2000, SIAEC is one of the world's leading maintenance, repair and overhaul (MRO) organisations.

SIAEC's one-stop maintenance facility in Singapore offers world-class MRO services to a client base of more than 80 international carriers and aerospace equipment manufacturers. Complementing its full spectrum of MRO services is its portfolio of 23 subsidiaries and joint ventures in 8 countries, forged with strategic partners and leading original equipment manufacturers (OEMs). The Company holds certifications from 27 national airworthiness authorities worldwide.

MISSION STATEMENT

SIA Engineering Company (SIAEC) is engaged in providing aviation engineering services of the highest quality, at competitive prices for customers and a profit to the Company.

FY2021/22 AT A GLANCE

SIAEC launched Lean Academy to upskill workforce and boost competitiveness

SIAEC signed Maintenance Agreement with Hawaiian Airlines

SIAEC established a S$1,000,000,000 Euro Medium Term Note Programme

SIAEC signed Component Agreement with Thai VietJet

SIAEC extended collaboration with Iacobucci HF Aerospace with Spares Distribution Agreement

SIAEC formed component maintenance, repair and overhaul joint venture with SR Technics in Malaysia

SIAEC signed CFM LEAP Engine Test Agreement with Safran Aircraft Engines

SIAEC signed Line Maintenance and In-Field Service Agreement with Rolls-Royce

SIA Engineering (Philippines) Corporation signed agreement with North American Aerospace Industries to provide aircraft recycling solutions

SIAEC conducted successful trial using sustainable aviation fuel for engine tests

REVENUE $566.1 MILLION

SIAEC sets up new Component Services Division to grow component maintenance, repair and overhaul business

SIAEC opened Aircraft Engine Services Facility to provide engine maintenance services for CFM LEAP -1A and -1B engines

NET PROFIT $67.6 MILLION

CONTENTS

DEAR SHAREHOLDERS,

At the start of FY2021/22, recovery of the global aviation industry from the COVID-19 pandemic seemed slow. In the last six months, however, green shoots of recovery began to sprout more quickly as vaccination programmes gained traction and traveller confidence returned. As more and more countries transitioned to endemic handling of COVID-19, travel restrictions were lifted with the opening of borders and resumption of international travel.

Singapore was amongst the first few countries in the region to transition to an endemic phase. Our city state established the Vaccinated Travel Lane (VTL) with many countries, permitting quarantine-free travel for fully vaccinated travellers to resume in September 2021. This was subsequently replaced by the Vaccinated Travel Framework, which fully re-opened Singapore's borders to the world on 1 April 2022.

As a result of this recovery trend in international air travel and the increase in flights, SIAEC saw an increase in MRO activity in the second half of the financial year. The number of flights handled by the Company's Line Maintenance unit in Singapore surged 73% to 47,885 in FY2021/22, compared to 27,727 in FY2020/21. The Group's maintenance checks at its Singapore and Clark bases also registered double-digit percentage increases, compared to the low numbers in the previous year. Fleet management work volume, which is largely driven by flight activities, showed signs of improvement in the fourth quarter.

The increase in activity lifted SIAEC's performance. For FY2021/22, the Group posted revenue of $566.1 million, up 27.8% year-on-year. The share of profits from associated and joint venture companies also increased to $79.1 million, mainly from a one-time writeback of tax provisions by certain associated companies, compared to a one-time tax charge a year ago. There were also improvements in business volume across several associated and joint venture companies. Overall, the Group recorded a net profit of $67.6 million, reversing the loss of $11.2 million in FY2020/21. The improved bottom line was boosted by government wage support, and the absence of a one-off impairment provision which impacted the Group's FY2020/21 performance. Excluding the wage support, the Group would have reported a loss.

Even though the volume of flight activities is clearly recovering, it is far from pre-pandemic levels, and there remain challenges to the pace of recovery. In view of this, the Board of Directors will not be recommending a dividend for FY2021/22.

THE ROAD TO RECOVERY

While we welcome the promising pace of recovery, we know that risks still exist, and we remain ever vigilant.

New COVID-19 variants have emerged and could cause an unexpected resurgence in infections and temper travel sentiments. Also, not all countries' borders have fully opened, such as China, Hong Kong, Taiwan and Japan. The limited accessibility to these Asian markets could prolong the recovery in the regional aviation industry, which is important for us. The conflict between Ukraine and Russia has further strained an already fragile global economy. Operating costs are soaring as inflation accelerates across many markets, owing to the disruption to crude oil supplies and supply chain crunches. As a result, the propensity to travel could be dampened by the risk of stagflation in many countries that are potentially facing slower economic growth.

We are deeply grateful to the Singapore Government and its institutions for the wage support schemes in support of businesses and the aerospace industry. In the absence of wage support from the Government, which will taper off in July 2022, and with the recovery of the aviation sector still some way off from pre-COVID-19 levels of activity, our financial performance will be highly dependent on

TANG KIN FEI
Chairman

the degree of revenue recovery vis-à-vis rising costs.

Despite these challenges, we are confident of a quality recovery. Our strategies to strengthen our core competencies and to build new capabilities for new-generation aircraft in the last two years have made SIAEC stronger and more resilient. This has placed the Group on a solid footing for sustainable growth after the recovery.

BUILDING NEW CAPABILITIES AND BUSINESSES

In April 2021, we established the Engine Services Division to enhance our integration into the engine MRO value chain; strengthen our engine services eco-system; and increase our value to OEM partners and airline customers.

SIAEC secured a 10-year agreement with Safran Aircraft Engines (SAE) to provide engine test services for its CFM LEAP-1A and -1B engines in December 2021. This is in addition to an existing long-term engine maintenance services arrangement for SIAEC to provide engine Quick Turn and modification embodiment services for these engines.

In February 2022, we opened a new $9.0 million Aircraft Engine Services (AES) facility in Singapore that is custom-designed with state-of-the-art equipment and technology to perform at least 60 Quick Turns per year for the CFM LEAP engines, and additional 50% capacity to cope with surge demands. We also offer on-site support and boroscope inspection services. While the AES facility currently serves SAE exclusively, we will seize opportunities to extend such engine services to the wider market as global air travel continues to recover and demand increases for Quick Turn maintenance and shorter engine turnaround.

We also signed a 10-year agreement in January 2022 to provide line maintenance and in-field services for Rolls-Royce Trent 7000, 1000, 900, 800, 700, 500 and XWB engines. This expanded SIAEC's existing on-wing care services to include new capabilities for the Trent 7000 and Trent XWB engines.

Aside from engine services, another area of growth for SIAEC is the component MRO business. We established the Component Services Division to capitalise on the anticipated upturn in this market. All our existing component repair and fleet management services, including inventory technical management services, were integrated together under the Component Services Division since 1 April 2022. This new division, with its focus on broadening our capabilities and strengthening our partnership network, will boost our ability to provide an even wider range of customised and flexible solutions to cater to the needs of our airline customers and OEM partners.

One of the major milestones for the component services business, and a significant step in our strategic plan, was our acquisition of a 75% stake in SR Technics Malaysia (SRT Malaysia), to form a component MRO joint venture company. SRT Malaysia provides component repair, testing and overhaul services with a focus on the Airbus A320, A330, A340 and the Boeing 737NG aircraft in the Asia-Pacific region and beyond. We are excited as SRT Malaysia will not only complement our existing portfolio of engine and component joint ventures with leading OEMs, but also allow us to broaden our component repair and overhaul capabilities for new-generation aircraft.

We further expanded our range of component services through a collaboration with Iacobucci HF Aerospace S.P.A (IHFA), an Italy-based cabin interior OEM, in December 2021. Under a long-term agreement, we will distribute and sell spare parts required for the aftermarket activities of IHFA's galley insert products for premium cabins of current and next generation aircraft in the Asia-Pacific region. In May 2022, we also obtained from Honeywell the licensed repair capability for the Air Data Inertial Reference Unit on Boeing 737 and 787 aircraft.

Alongside these capability-building initiatives, we also continued to focus on strengthening our core business. Under Base Maintenance, SIAEC is potentially expanding its network to include two hangar facilities in Subang, Malaysia, which have a combined capacity of six simultaneous aircraft checks. This follows the signing of a non-binding Memorandum of Understanding with a wholly-owned subsidiary of Malaysia's sovereign wealth fund, Khazanah Nasional Berhad, for the potential lease of these hangars. Together with our acquisition of SR Technics Malaysia and the recently announced plan to acquire a stake in Pos Aviation Engineering Services to form a line maintenance joint venture, our growth in Malaysia will complement the capabilities of our Singapore hub. Expansion of our Line Maintenance International network to South Korea is also in the pipeline with the recently announced plan to form a joint venture with Air Innovation Korea.

STRENGTHENING COMPETENCIES THROUGH TRANSFORMATION

Our Transformation Phase 2 programme, with Lean, Digitalisation and Technology, and Innovation Culture as core thrusts, continued to gather momentum during the year.

We introduced a series of impactful Lean initiatives to optimise work processes over the course of FY2021/22, which created significant additional capacity via improved turnaround times and higher task accomplishment rates across SIAEC's operations. As a result, we had greater capacity to perform more checks at Base Maintenance. We also launched our landmark Lean Academy in September 2021, reflecting SIAEC's focus on the re-skilling, upskilling and development of our workforce to enhance competitiveness. By early 2023, we hope to have 100% of our workforce trained in Lean, and to extend Lean training to the wider aerospace MRO community in the longer term. Meanwhile, additional investments in digital technologies, applications and workflow, and digital infrastructure were also made in FY2021/22 that enabled our workforce to improve productivity, operational efficiency, and take on higher value work.

We expect more pervasive enterprise-wide application of Lean and adoption of Digitalisation and Technology, particularly as work volume ramps up with the

CHAIRMAN'S STATEMENT

recovery trend. Our Transformation efforts continue to yield positive results and we foresee this to be an on-going journey for SIAEC as we strive towards sustainable business growth.

GROWING SUSTAINABLY

SIAEC remains committed to support the aviation industry towards its net zero carbon emissions goal by 2050. Our readiness is reflected in a number of important sustainability-related achievements announced in FY2021/22.

In February 2022, SIAEC's engine test facility successfully performed engine tests using blended sustainable aviation fuel that produced 32% lower carbon emissions compared to conventional fossil jet fuel. In the same month, SIA Engineering (Philippines) Corporation (SIAEP), our wholly-owned subsidiary, signed an agreement to provide sustainable, end-to-end aircraft recycling solutions to North American Aerospace Industries (NAAI), an aircraft part-out specialist. These capabilities broaden SIAEC's array of green MRO services.

Efforts, meanwhile, were also made to reduce our carbon footprint through the electrification of our fleet of vehicles in the operational environment. We successfully completed trials of electric tractors in FY2021/22 and plan to increase their adoption in FY2022/23. Moreover, two of our hangars in Singapore have been certified Green Mark (Platinum, Super Low Energy Buildings) and PUB Water Efficient Buildings.

In April 2022, the Board Sustainability Committee was established to provide oversight and guide SIAEC's sustainability strategy. To lead our efforts in enhancing sustainability, we concurrently appointed our Executive Vice President Operations as our Chief Sustainability Officer to drive and accelerate SIAEC's Environmental, Social and Governance initiatives.

PRIORITIES AHEAD

Going forward, we will keep a lookout for opportunities to invest in new capabilities and services for new-generation aircraft to broaden the Company's range of service offerings to airline customers and OEM partners. We will also seize opportunities for growth by leveraging existing strong capabilities and deepening long-standing relationships with OEM partners to strengthen our joint ventures portfolio.

At the same time, we will remain agile, vigilant and prudent in managing the increase in costs, whilst balancing the need to invest in capabilities and capacity expansion to lay the foundation for recovery and growth.

During the downturn of the past two years, protecting jobs and retaining talents were our key concerns. With recovery gathering pace, our focus on employee retention is serving us well as we were able to swiftly ramp up operations to support our airline customers. To ensure that SIAEC has adequate manpower for further flight recovery, we are ramping up recruitment.

Under our Transformation Phase 2 programme, we will continue to build on the momentum achieved in FY2021/22 by further investing in digitalisation, automation, optimisation and decision support capabilities. We will also continue to scale up our Lean initiatives across the Company to raise productivity.

APPRECIATION

I would like to take this opportunity to extend a warm welcome to Mr Lim Kong Puay, who joined the Board of SIAEC as a Non-Executive and Independent Director in August 2021. His extensive experience will serve us well in charting strategic directions and enhancing operational excellence for the Company. I would like to thank my fellow Board members for their continued guidance in steering the Group through another challenging year, and for continuing their voluntary reduction in Directors' fees.

On behalf of the Board of Directors, I would also like to express our deepest appreciation to Mr Manohar Khiatani and Mr Chew Teck Soon, who retired as Independent and Non-Executive Directors of SIAEC after serving on the Board for nine years each. Both Mr Chew's and Mr Khiatani's extensive experience and invaluable contributions have enabled the Group to navigate a steady course, especially during the turbulence caused by the COVID-19 pandemic. I wish them a happy retirement.

The SIAEC team has again demonstrated tenacity and perseverance in overcoming challenges during these unprecedented times. I wish to express my heartfelt gratitude to our staff, unions and Management for their immeasurable sacrifices, teamwork and commitment to the Company to ensure business continuity and success of the Group. Truly, the Group would not be where it is today without our people, who are indeed our greatest asset. We are humbled and pleased to be ranked among Singapore's Top 200 Employers in 2022, as published by The Straits Times and global data firm Statista in April 2022.

Our collective efforts have been recognised again with the recent award of the 2022 Asia-Pacific MRO of the Year, our second in two consecutive years, by leading aviation publication Airline Economics. We are delighted, yet challenged, by these accolades to emerge stronger and achieve sustainable growth for the future.

Lastly, I wish to convey our profound and heartfelt gratitude to all stakeholders and friends, including our shareholders, customers, business partners and government agencies, who have journeyed with us through another difficult year. Thank you for your continued support and trust in us.

TANG KIN FEI
Chairman

CORPORATE CALENDAR

2021

29 JAN
Announcement of FY2020/21 third-quarter business updates

4 MAY
Announcement of FY2020/21 full-year financial results

5 MAY
Analyst briefing on FY2020/21 full-year financial results

1 JUL
Website publication of Notice of Annual General Meeting and FY2020/21 Annual Report

23 JUL
39th Annual General Meeting

23 JUL
Announcement of FY2021/22 first-quarter business updates

5 NOV
Announcement of first-half FY2021/22 financial results

8 NOV
Analyst briefing on first-half FY2021/22 financial results

2022

21 FEB
Announcement of FY2021/22 third-quarter business updates

5 MAY
Announcement of FY2021/22 full-year financial results

6 MAY
Analyst briefing on FY2021/22 full-year financial results

22 JUN
Website publication of Notice of Annual General Meeting and FY2021/22 Annual Report

21 JUL
40th Annual General Meeting

25 JUL
Announcement of FY2022/23 first-quarter business updates

1 NOV
Announcement of first-half FY2022/23 financial results

2 NOV
Analyst briefing on first-half FY2022/23 financial results

BOARD OF DIRECTORS

TANG KIN FEI
Chairman, Board of Directors
Chairman, Compensation & HR Committee
Chairman, Executive Committee
Non-Executive and Independent Director

CHRISTINA ONG
Chairman, Nominating Committee
Chairman, Board Sustainability Committee
Non-Executive and Independent Director

CHUA BIN HWEE
Chairman, Audit Committee
Non-Executive and Independent Director

LIM KONG PUAY
Chairman, Board Safety & Risk Committee
Non-Executive and Independent Director

GOH CHOON PHONG
Non-Executive and
Non-Independent Director

NG CHIN HWEE
Non-Independent Director and
Chief Executive Officer

DR RAJ THAMPURAN
Chairman, Technology Advisory Committee
Non-Executive and Independent Director

WEE SIEW KIM
Non-Executive and Independent Director

MAK SWEE WAH
Non-Executive and
Non-Independent Director

CHIN YAU SENG
Non-Executive and
Non-Independent Director

MANOHAR KHIATANI
Chairman, Board Safety & Risk Committee
Non-Executive and Independent Director
Until 31 March 2022

CHEW TECK SOON
Chairman, Audit Committee
Non-Executive and Independent Director
Until 30 April 2022

BOARD OF DIRECTORS

TANG KIN FEI, 71

Chairman, Board of Directors
Chairman, Compensation & HR Committee
Chairman, Executive Committee
Member, Nominating Committee
Non-Executive and Independent Director

Mr Tang Kin Fei was appointed Director and Deputy Chairman on 8 May 2017 and subsequently, as Chairman on 19 July 2018. He was the Group President and Chief Executive Officer of Sembcorp Industries Ltd from 1 May 2005 until his retirement on 31 March 2017. He then remained as an Advisor and a non-executive Director on the Board of Sembcorp Industries until 31 May 2017.

Mr Tang, who was previously with the Sembcorp Group for 30 years, has been credited with driving its transformation into an international energy, water, marine and urban development group. Prior to his appointment as Group President and Chief Executive Officer, Mr Tang headed Sembcorp's utilities business on Jurong Island in Singapore, which grew into a global energy and water player with a sizeable portfolio of assets and capabilities. Before joining Sembcorp, Mr Tang was the Managing Director of Wescon Asia and a project engineer in Esso Singapore.

Mr Tang is currently the Chairman of Metis Energy Limited and a member of its Nominating Committee and Remuneration Committee. He is also the Chairman of Singapore LNG Corporation Pte Ltd, a Director of Summit Power International Ltd, a Board Member of Singapore Cooperation Enterprise, the Council Chairman of Ngee Ann Polytechnic and Vice Chairman of the Kwong Wai Shiu Hospital, a charitable hospital which provides care for needy patients.

Academic and Professional Qualifications:

- Bachelor of Mechanical Engineering (1st Class Honours), University of Singapore
- Advanced Management Programme, INSEAD, France

Current Directorships In Other Listed Companies

	Company	Title
1.	Metis Energy Limited	Chairman

Other Principal Commitments

	Organisation/Company	Title
1.	Singapore LNG Corporation Pte Ltd	Chairman
2.	Summit Power International Ltd	Director
3.	Singapore Cooperation Enterprise	Director
4.	Ngee Ann Polytechnic	Council Chairman
5.	Kwong Wai Shiu Hospital	Vice Chairman
6.	Athena Energy Holdings Pte Ltd	Director
7.	Vietrof RE Pte. Ltd.	Director

Directorships/Appointments in the past 5 years

	Organisation/Company	Title
1.	Shenzhen Chiwan Sembawang Engineering Company Limited	Chairman
2.	Penglai Jutal Offshore Engineering Heavy Industry Co. Ltd	Vice Chairman
3.	Defence Science & Technology Agency Board	Board Member
4.	Nanyang Technological University	Chairman, College Advisory Board
5.	Climate Change Network, National Climate Change Secretariat	Member
6.	Singapore Chinese Chamber of Commerce and Industry	Council Member
7.	National Research Foundation	Board Member

CHRISTINA ONG, 70

Chairman, Nominating Committee
Chairman, Board Sustainability Committee
Member, Audit Committee
Non-Executive and Independent Director

Mrs Ong was appointed Director on 1 January 2014. She is Chairman and Senior Partner of Allen & Gledhill LLP, where she has headed the Financial Services Department for many years. Her areas of practice include banking, securities offerings, securities regulations, investment funds, capital markets and corporate finance. She has been involved in a broad range of debt and equity issues. She provides corporate and corporate regulatory and compliance advice, particularly to listed companies.

Mrs Ong is currently a Director of Oversea-Chinese Banking Corporation Ltd, Singapore Telecommunications Ltd, Hongkong Land Holdings Limited and Epimetheus Ltd. She is also a Director of Allen & Gledhill Regulatory & Compliance Pte Ltd, Eastern Development Pte Ltd and Eastern Development Holdings Pte Ltd (companies associated with Allen & Gledhill LLP). Mrs Ong is a member of the Corporate Governance Advisory Committee, which is a standing committee established by the Monetary Authority of Singapore, a member of the Supervisory Committee of the ABF Singapore Bond Index Fund, and a member of Civil Aviation Authority of Singapore. She is also a Trustee of the Stephen A. Schwarzman Scholars Trust.

Academic and Professional Qualifications:

- Bachelor of Laws, LLB (Honours) (Second Upper), University of Singapore
- Member, Law Society of Singapore
- Member, International Bar Association

Current Directorships In Other Listed Companies

	Company	Title
1.	Oversea-Chinese Banking Corporation Ltd	Director
2.	Singapore Telecommunications Ltd	Director
3.	Hongkong Land Holdings Limited	Director

Other Principal Commitments

Organisation/Company	Title
1. Allen & Gledhill LLP	Chairman & Senior Partner
2. Allen & Gledhill Regulatory & Compliance Pte. Ltd.	Director
3. Eastern Development Private Limited	Director
4. Eastern Development Holdings Pte. Ltd.	Director
5. Epimetheus Ltd	Director
6. The Stephen A. Schwarzman Scholars Trust	Trustee
7. ABF Singapore Bond Index Fund	Member, Supervisory Committee
8. Catalist Advisory Panel	Member
9. Corporate Governance Advisory Committee	Member
10. Civil Aviation Authority of Singapore	Member

Directorships/Appointments in the past 5 years

Organisation/Company	Title
1. Singapore Tourism Board	Board Member
2. Trailblazer Foundation Ltd	Director

CHUA BIN HWEE, 65

Chairman, Audit Committee
Member, Executive Committee
Member, Board Sustainability Committee
Non-Executive and Independent Director

Ms Chua was appointed Director on 1 April 2021. She was the Vice Chairman of PricewaterhouseCoopers ("PwC") Singapore where she had been an audit partner for over 25 years. Ms Chua held global and regional positions, including Deputy Markets Leader of PwC Asia Pacific and Americas, and was a member of the PwC Global Markets Leadership Team and PwC Asia Pacific Executive Team. Ms Chua has extensive experience in statutory audits, corporate governance, corporate restructuring, fraud investigations, business and finance.

Ms Chua is currently a Director of the Boards of CapitaLand Integrated Commercial Trust Management Limited, Certis Cisco Security Pte Ltd and Mapletree Oakwood Holdings Pte Ltd. She is also a Board member of Gardens by the Bay and the National Heritage Board.

Ms Chua was previously President of the Singapore Anti-Narcotics Association, Deputy Chairman of the National Volunteer & Philanthropy Centre, and a Board member of the Housing & Development Board, Duke-NUS Medical School, the Maritime and Port Authority of Singapore and the Health Promotion Board. In recognition of her community service, she was awarded the Public Service Medal in 2012 and the Public Service Star in 2017. She was also conferred Justice of the Peace in 2018.

Academic and Professional Qualifications:
- Bachelor of Accountancy (Honours), University of Singapore
- Chartered Accountant, Institute of Singapore Chartered Accountants

Current Directorships In Other Listed Companies

Company	Title
1. CapitaLand Integrated Commercial Trust Management Limited	Director

Other Principal Commitments

Organisation/Company	Title
1. Certis Cisco Security Pte Ltd	Director
2. Gardens by the Bay	Director
3. Mapletree Oakwood Holdings Pte Ltd	Director
4. National Heritage Board	Director

Directorships/Appointments in the past 5 years

Organisation/Company	Title
1. CapitaLand Commercial Trust Management Limited	Director
2. Duke-NUS Medical School	Director
3. Health Promotion Board	Director
4. Maritime and Port Authority of Singapore	Director
5. Singapore Anti-Narcotics Association	President
6. The Hong Kong and Shanghai Banking Corporation Limited	Director

LIM KONG PUAY, 65

Chairman, Board Safety & Risk Committee
Member, Audit Committee
Member, Board Sustainability Committee
Non-Executive and Independent Director

Mr Lim was appointed Director on 1 August 2021. Mr Lim was the Chief Executive Officer of Tuas Power Generation Pte Ltd for 14 years until his retirement in 2018. He has more than 35 years of experience in the electricity industry in Singapore covering the operation, maintenance and management of large-scale steam turbine generators and combined cycle plant. Mr Lim had helped to establish Tuas Power Generation as one of the leading power generation companies in the liberalised wholesale and retail electricity market in Singapore. He had also expanded the businesses of Tuas Power Generation to include utilities, such as supplying steam and providing oil tankage and water and waste water treatment to industrial customers in the Tuas area and in Jurong Island.

Mr Lim is a non-executive director of Tuas Power Generation Pte Ltd, Tuas Power Limited, TP Utilities Pte Ltd and TP-STM Water Resources Pte Ltd.

Mr Lim was previously a member of the Steering Committee on Engineering Talent Attraction and Retention in Singapore.

Academic and Professional Qualifications:
- Bachelor of Engineering (Mechanical), National University of Singapore
- Fellow, Institution of Engineers, Singapore

Other Principal Commitments

Organisation/Company	Title
1. TP Utilities Pte. Ltd.	Director
2. Tuas Power Generation Pte. Ltd.	Director
3. Tuas Power Ltd	Director
4. TP-STM Water Resources Pte. Ltd.	Director

Directorships/Appointments in the past 5 years

Organisation/Company	Title
1. Tuas Power Supply Pte. Ltd.	Director
2. TPGS Green Energy Pte. Ltd.	Director
3. TP-STM Water Services Pte. Ltd.	Director
4. ARA LOGOS Logistics Trust Management Limited	Director

GOH CHOON PHONG, 58

Member, Compensation & HR Committee
Member, Executive Committee
Non-Executive and Non-Independent Director

Mr Goh was appointed Director on 1 January 2011. He is a Director and the Chief Executive Officer of Singapore Airlines Ltd. He joined Singapore Airlines 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 of Singapore Airlines, Mr Goh was Executive Vice President for Marketing and the Regions. He 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 the Chairman of Budget Aviation Holdings Pte Ltd, which owns and manages Scoot. He is also a Director of Mastercard Incorporated, a member of the Board of Trustees of the National University of Singapore and a member of the Board of Governors of the International Air Transport Association.

Mr Goh is also a member of the MIT Presidential CEO Advisory Board, made up of CEOs from leading companies in a variety of industries around the world. He 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 'Outstanding Chief Executive Officer of the Year' in the Singapore Business Awards 2017 and 'Person of the Year' by Orient Aviation magazine in 2018. In 2019, Mr Goh was named "Best Chief Executive Officer" for companies with $1 billion or more in market capitalisation at the Singapore Corporate Awards.

Mr Goh is also an Executive Committee member of the Association of Asia Pacific Airlines, and was appointed as its Vice Chairman on 1 January 2022.

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

Current Directorships In Other Listed Companies

Company	Title
1. Singapore Airlines Ltd	Director and Chief Executive Officer
2. Mastercard Incorporated	Director

Other Principal Commitments

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

Directorships/Appointments in the past 5 years

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

NG CHIN HWEE, 61

Member, Executive Committee
Member, Technology Advisory Committee
Member, Board Sustainability Committee

Non-Independent Director and Chief Executive Officer

Mr Ng was appointed Director on 18 July 2008 and appointed Chief Executive Officer of SIA Engineering Company on 1 April 2020. He was the Executive Vice President for Human Resources and Operations in Singapore Airlines Ltd until 31 March 2020.

Mr Ng joined Singapore Airlines in 1985 where he was appointed to various senior positions in Singapore and overseas. In 2004, he returned to Singapore to take up the position of President & Chief Executive Officer of Singapore Airport Terminal Services Ltd (SATS). He left SATS to rejoin Singapore Airlines as Executive Vice President for Human Resources and Planning on 1 January 2008. He assumed the position of Executive Vice President Human Resources and Operations on 1 February 2011 and was in charge of the divisions of Cabin Crew, Engineering, Flight Operations, Customer Services and Operations, and Human Resources.

Mr Ng is currently the Deputy Chairman of Singapore Aero Engine Services Pte Ltd and a member of the Advisory Board of the Engineering Systems and Design Pillar at the Singapore University of Technology and Design.

Academic and Professional Qualifications:

- Master of Science in Management, Massachusetts Institute of Technology, USA
- Bachelor of Engineering (1st Class Honours), National University of Singapore

Other Principal Commitments

	Organisation/Company	Title
1.	Singapore Aero Engine Services Pte Ltd	Deputy Chairman
2.	Singapore University of Technology and Design (Advisory Board of the Engineering Systems and Design Pillar)	Member

Directorships/Appointments in the past 5 years

	Organisation/Company	Title
1.	Singapore Airlines Cargo Pte Ltd	Chairman
2.	Budget Aviation Holdings Pte Ltd	Director
3.	NokScoot Airlines Co., Ltd	Director
4.	Advisory Council on Community Relations in Defence (Employer and Business)	Member
5.	Future Economy Council, Trade and Connectivity Sub-Committee	Member

DR RAJ THAMPURAN, 58

Chairman, Technology Advisory Committee
Member, Audit Committee
Member, Board Safety & Risk Committee

Non-Executive and Independent Director

Dr Thampuran was appointed Director on 1 September 2016. After a twenty-year career in the public sector, he joined Surbana Jurong Private Limited as Managing Director (Technology and Research) on 1 February 2020.

His career spans various aspects of technology and its development, management, innovation and policy. In the public sector, he spent seven years as the Managing Director as well as a Board Director of the Agency for Science, Technology and Research (A*STAR) until 31 March 2020. Dr Thampuran joined A*STAR in 2000 as Head of the Technology Planning Unit and has held various executive and leadership positions in the Electronics, Engineering and Chemicals clusters, the Institute of High Performance Computing, and in Planning and Policy. In these positions and capacities, Dr Thampuran was involved in planning, establishing and implementing the framework for Research Councils; helped to manage and support the capability development efforts of public sector performers in areas identified for technological growth; developed initiatives and various schemes to support Research & Development (R&D) involving the universities and other institutions of higher learning; spearheaded the R&D portfolio and industry development efforts across A*STAR and interacted with government policy makers and Ministry officials to shape A*STAR's contributions to the National R&D Framework among other executive responsibilities and desired outcomes.

He was a Board Member of the Defence Science and Technology Agency and Chairman of Exploit Technologies/A*ccelerate Pte Ltd.

Dr Thampuran was a recipient of the Public Administration Medal (Bronze and Silver) and ASEAN Meritorious Award.

Academic and Professional Qualifications:

- Bachelor of Mechanical Engineering (Honours), University of London, UK
- PhD in Materials Science, National University of Singapore
- Postdoctoral Fellowship, Massachusetts Institute of Technology, USA
- Advanced Management Programme, INSEAD, France
- Fellow, Singapore Academy of Engineers
- Fellow, Institution of Engineers, Singapore

Other Principal Commitments

	Organisation/Company	Title
1.	Surbana Jurong Private Limited	Managing Director (Technology and Research)
2.	Nanyang Technological University	Adjunct Professor
3.	National University of Singapore (Faculty of Engineering)	Adjunct Professor
4.	The Institution of Engineers – College of Fellows (CoF) Board	Member (CoF)
5.	MINDS (RCCS Sub-committee)	Member

Directorships/Appointments in the past 5 years

	Organisation/Company	Title
1.	Exploit Technologies Pte Ltd (now A*ccelerate Technologies)	Chairman
2.	D3 Steering Committee	Chairman
3.	Agency for Science, Technology and Research (A*STAR)	Board Member
4.	Defence Science and Technology Agency (DSTA)	Board Member
5.	Tropical Marine Science Institute	Member of Management Board
6.	Committee on Autonomous Road Transport for Singapore	Member
7.	National University of Singapore Engineering Faculty Advisory Board	Member
8.	Nanyang Technological University (NTU) Advisory Committee for Bioengineering Education	Member
9.	National Digital Economy Committee	Member
10.	Presidential Science and Technology Awards Committee	Member
11.	Finance and Budget Committee (A*STAR)	Member
12.	Audit Committee (A*STAR and DSTA)	Member
13.	ASEAN Committee on Science & Technology	Chairman
14.	College Advisory Board of the College of Engineering (NTU)	Chairman

WEE SIEW KIM, 61

Member, Board Safety & Risk Committee
Member, Compensation & HR Committee

Non-Executive and Independent Director

Mr Wee Siew Kim was appointed Director on 8 May 2017. He is currently the Representative Executive Officer, Co-President and Member of the Board of Nippon Paint Holdings Group. He holds the concurrent appointment of Chief Executive Officer of NIPSEA Group, a paints and coatings company with 83 manufacturing facilities and operations spanning 17 countries and regions in Asia.

Prior to his current position, Mr Wee was Deputy Chief Executive Officer and President (Defence Business) of Singapore Technologies Engineering Ltd. Mr Wee started his career with Singapore Technologies in 1984 as an engineer in Singapore Aircraft Industries Pte Ltd, the predecessor company of ST Engineering Aerospace Ltd. During his 25-year career with Singapore Technologies, Mr Wee held appointments in engineering, business development and management, including operating stints in the United States of America, China, Europe and Singapore.

Mr Wee is also a Director of Singapore Telecommunications Limited.

Academic and Professional Qualifications:

- Bachelor of Science in Aeronautical Engineering (Honours), Imperial College of Science, Technology and Medicine
- Master of Business Administration, Graduate School of Business, Stanford University
- Fellow, City and Guilds of London Institute

Current Directorships In Other Listed Companies

	Company	Title
1.	Singapore Telecommunications Limited	Director

Other Principal Commitments

	Organisation/Company	Title
1.	NIPSEA Group	Group Chief Executive Officer
2.	Nippon Paint Holdings Co Ltd	Director, Representative Executive Officer & Co-President
3.	Nipsea Management Company Pte Ltd	Director
4.	Jurong Port Pte Ltd	Chairman
5.	Nippon Paint Coatings (Taiwan) Co., Ltd	Director
6.	Nippon Paint (Singapore) Company Private Limited	Director
7.	Nippon Paint (Vietnam) Company Ltd	Director
8.	Nippon Paint Vietnam (Hanoi) Pte Ltd	Director
9.	Nippon Paint (Malaysia) Sendirian Berhad	Director
10.	Paint Marketing Company (M) Sdn Bhd	Director
11.	Nippon Paint (Thailand) Company Ltd	Director
12.	Nipsea Chemical Korea	Director
13.	Nippon Paint (HK) Co Ltd	Director
14.	Nippon Paint (China) Co Ltd	Director
15.	Guangzhou Nippon Paint Co Ltd	Director
16.	Nippon Paint (Chengdu) Co Ltd	Director
17.	Nippon Paint (H.K.) Co Ltd Taiwan Branch	Director
18.	Nippon Paint (Tianjin) Co Ltd	Director
19.	Langfang Nippon Paint Co Ltd	Director
20.	BK & NP Automotive Coatings (Shanghai) Co Ltd	Director
21.	Nippon Paint (Pakistan) Limited	Director
22.	Nippon Paint Industrial Coatings (Shanghai) Co., Ltd.	Director
23.	Nippon Paint China Holdings Co Ltd.	Director
24.	Nippon Paint (Zhengzhou) Co., Ltd.	Director
25.	Nippon Paint Decorative Coatings (Thailand) Co Ltd	Director
26.	NP Auto Refinishes Co Ltd	Director
27.	Nippon Paint (Shenyang) Co., Ltd	Director
28.	Nippon Paint Vinh Phuc Co., Ltd	Director
29.	Nippon Paint Lanka (Private) Ltd	Director
30.	Nippon Paint Bangladesh Pte Ltd	Director
31.	Nippon Paint (Kunming) Co., Ltd	Director
32.	Nipsea Technologies Pte Ltd	Director
33.	Nippon Paint (HuBei) Co., Ltd.	Director
34.	Nippon Paint Malaysia (S) Pte Ltd	Director
35.	HSJ Pte Ltd	Director

Other Principal Commitments (cont'd)

Organisation/Company	Title
36. Nippon Paint (Henan) Co., Ltd	Director
37. Nippon Paint Building Solutions (Shanghai) Co., Ltd	Director
38. Nippon Paint New Materials (Tianjin) Co., Ltd	Director
39. Guangdong Nippon Paint Changrunfa Technical Materials Co., Ltd	Director
40. Nippon Paint (Qingyuan) Co., Ltd	Director
41. Zhenfucai Materials Technology (Chengdu) Co., Ltd	Director
42. Nippont Paint New Materials (Nanjing) Co., Ltd	Director
43. Nippon Paint Suzhou New Materials Technology Co., Ltd	Director
44. DuluxGroup Limited	Director
45. Vital Technical Sdn Bhd	Director
46. Nippon Paint Energy Saving and Environmental Protection Technology (Shanghai) Co., Ltd.	Director
47. Shanghai Nippon Paint Lomon New Materials Technology Co.,Ltd.	Director
48. JTC Corporation	Board Member
49. Nippon Paint Holdings SG Pte Ltd	Director

Directorships/Appointments in the past 5 years

Organisation/Company	Title
1. ES Group (Holdings) Limited	Chairman
2. SBS Transit Ltd	Director
3. Langfang Nippon Paint Lidong Co., Ltd	Director
4. Nippon Paint New Materials (Wuhan) Co., Ltd.	Director
5. Nippon Paint (Shanghai) Research & Development Co., Ltd.	Director
6. Yashili Paint (Suzhou) Co.,Ltd	Director
7. Nippon Paint (Hebei) Co., Ltd.	Director
8. Nippon Paint New Materials (Shanghai) Co., Ltd.	Director
9. Nippon Paint (Jiangsu) Co., Ltd	Director
10. Nippon Paint (Sichuan) Co., Ltd	Director
11. Nippon Paint Engineering Materials (Guangzhou) Co Ltd	Director
12. Nippon Paint Decoration Materials (Guangzhou) Co Ltd	Director
13. Betek Bova Ve Kimya San A.S.	Director
14. Betek Tasyunu Sanayani Ve Ticaret A.S.	Director
15. Faber Union Ltd	Director
16. Neteks Boya Teknolojileri A.S.	Director
17. Ideal Firca Ve Rulo Sanayi A.S.	Director
18. Nippon Paint (India) Pte Ltd	Director
19. Nippon Paint (Europe) Limited	Director
20. Mapletree Logistics Trust Management Ltd	Director

MAK SWEE WAH, 61

Member, Board Safety & Risk Committee
Member, Nominating Committee
Non-Executive and Non-Independent Director

Mr Mak was appointed Director on 1 April 2020. Mr Mak joined Singapore Airlines in 1983 and has worked in a number of management positions in Singapore as well as overseas.

Mr Mak was appointed General Manager for SilkAir in 1997. After 2000, he held senior management positions in the marketing, planning and operational areas in Singapore Airlines. Mr Mak was promoted to Executive Vice President for Operations and Services on 1 January 2008, and was appointed Executive Vice President Commercial on 1 February 2011. On 1 April 2020, Mr Mak assumed the post of Executive Vice President Operations. He is responsible for Singapore Airlines' Cabin Crew, Customer Services and Operations, Engineering and Flight Operations divisions.

Mr Mak is the Chairman of SilkAir (Singapore) Private Limited and also a Director of Mount Faber Leisure Group Pte. Ltd.

Academic and Professional Qualifications:

- Master of Science in Operational Research
- Bachelor of Science in Accounting and Finance (1st Class Honours)

The London School of Economics and Political Science

Other Principal Commitments

Organisation/Company	Title
1. Singapore Airlines Limited	Executive Vice President Operations
2. SilkAir (Singapore) Private Limited	Chairman
3. Mount Faber Leisure Group Pte. Ltd.	Director

Directorships/Appointments in the past 5 years

Organisation/Company	Title
1. Singapore Airlines Cargo Pte. Ltd	Director
2. TATA SIA Airlines Limited	Director

CHIN YAU SENG, 50

Member, Audit Committee
Member, Board Safety & Risk Committee
Non-Executive and Non-Independent Director

Mr Chin was appointed Director on 8 October 2018. Mr Chin is currently Senior Vice President Cargo of Singapore Airlines Ltd, which is a position that he has held since April 2018 when Singapore Airlines Cargo was reintegrated as a division within Singapore Airlines. Prior to that, he was President of Singapore Airlines Cargo Pte Ltd from May 2014.

Mr Chin has also served as Chief Executive Officer of SilkAir (Singapore) Pte Ltd from 2007 to 2010 and Tiger Airways Holdings Ltd from 2011 to 2012 as well as in other senior executive roles in Singapore Airlines, including as Senior Vice President Sales & Marketing from 2012 to 2014.

Mr Chin is a Director of Singapore Airlines Cargo Pte Ltd and Krisshop Pte. Ltd, and a member of the Cargo Advisory Council of the International Air Transport Association (IATA). He was previously a Director of Tiger Airways Holdings Ltd (then listed on the Singapore Exchange).

Academic and Professional Qualifications:

- Master of Science in Operational Research
- Bachelor of Science in Economics (Accounting & Finance)

The London School of Economics and Political Science

Other Principal Commitments

Organisation/Company	Title
1. Singapore Airlines Ltd	Senior Vice President Cargo
2. Singapore Airlines Cargo Pte Ltd	Director
3. KrisShop Pte. Ltd. (formerly known as Singapore Airport Duty-Free Emporium (Private) Limited)	Director
4. International Air Transport Association	Member, Cargo Advisory Council

Directorships/Appointments in the past 5 years

Organisation/Company	Title
NIL	

MANOHAR KHIATANI, 62

Chairman, Board Safety & Risk Committee
Member, Audit Committee
Non-Executive and Independent Director (until 31 March 2022)

Mr Khiatani was appointed Director on 1 April 2013. He is the Senior Executive Director of CapitaLand Investment Ltd, one of Asia's largest diversified real estate groups with Assets under Management exceeding US$90 billion. Prior to joining CapitaLand in July 2019, he was the Deputy Group Chief Executive Officer of Ascendas-Singbridge Pte Ltd, a leading provider of integrated urban development and business space solutions. Ascendas-Singbridge combined with CapitaLand in July 2019.

He was previously the Chief Executive Officer of JTC Corporation (JTC), where he spearheaded the development of infrastructure solutions for various industrial sectors in Singapore. Prior to JTC, Mr Khiatani was the Deputy Managing Director of the Singapore Economic Development Board (EDB). During his tenure in EDB, he played an instrumental role in the development and transformation of important sectors including aerospace, electronics, offshore and marine, logistics, infocomms and media, and clean technology. He was also in charge of the EDB's operations in the Americas and Europe. Mr Khiatani also served several years as the Managing Director of Preussag SEA, a diversified German conglomerate.

Academic and Professional Qualifications:

- Master of Science (Naval Architecture), University of Hamburg, Germany
- Advanced Management Program, Harvard Business School

Other Principal Commitments

Organisation/Company	Title
1. CapitaLand Investment Ltd	Senior Executive Director
2. CLI FM Pte Ltd	Director
3. Ascendas Property Fund Trustee Pte Ltd	Director
4. Ascendas Funds Management (S) Ltd	Director
5. Ascendas Asia-Pacific (Holdings) Pte Ltd	Director
6. Ascendas India Logistics Holdings Pte. Ltd.	Director
7. Singapore Amaravati Investment Holdings Pte Ltd	Director
8. CapitaLand India Pte. Ltd	Director
9. Nusajaya Tech Park Sdn Bhd	Director
10. Information Technology Park Limited	Director
11. Ascendas IT Park (Chennai) Limited	Director
12. Building and Construction Authority	Board Member
13. Institute of Real Estate and Urban Studies	Board Member
14. Singapore Economic Development Board	Special Advisor to Chairman
15. Singapore Business Federation (South Asia Business Group Executive Committee)	Vice Chairman
16. Singapore Business Federation (Malaysia Singapore Business Council)	Member
17. Singaporean-German Chamber of Industry and Commerce	Advisory Council Member
18. EDB Society	President

Directorships/Appointments in the past 5 years

Organisation/Company	Title
1. Carmelray-JTCI Corporation	Director
2. Ascendas Japan Pte Ltd	Director
3. Ascendas Philippines Properties Pte. Ltd.	Director
4. ASB Flex Pte. Ltd.	Director
5. Ascendas Holdings (Manila) Pte Ltd	Director
6. Ascendas India Logistics Pte. Ltd.	Director
7. Ascendas Frasers Pte Ltd	Director
8. Ascendas Hospitality Fund Management Pte Ltd	Director
9. Ascendas Hospitality Trust Management Pte Ltd	Director
10. CapitaLand (Korea) Pte. Ltd.	Director
11. Ascendas Development (Holdings) Pte Ltd	Director
12. Ascendas (China) Pte Ltd	Director
13. Ascendas Vietnam Investments Pte Ltd	Director
14. Ascendas Land International (Investments) Pte Ltd	Director
15. Ascendas-Singbridge Pte. Ltd.	Alternate Director
16. Jilin Food Zone Pte Ltd	Alternate Director
17. CapitaLand Singapore (BP&C) Pte Ltd	Director
18. Ascendas-Singbridge Holdings Pte Ltd	Director
19. Ascendas-Development Pte Ltd	Director
20. Ascendas Media Hub Pte Ltd	Director
21. Ascendas-Citramas Pte Ltd	Director
22. CapitaLand Digital Holdings Pte Ltd	Director
23. Ascendas Pte Ltd	Director
24. Ascendas Land International Pte Ltd	Director
25. China Club Investment Pte Ltd	Director

BOARD OF DIRECTORS

CHEW TECK SOON, 70

Chairman, Audit Committee
Member, Nominating Committee
Member, Executive Committee
Non-Executive and Independent Director (until 30 April 2022)

Mr Chew joined the Board as an Independent Director on 1 May 2013. He devoted almost 38 years of international experience in the auditing profession. He joined the Singapore firm of Coopers & Lybrand in January 1972, qualified in its UK firm as a Certified and Chartered Accountant in 1976, and was admitted as an audit partner in 1985 following a one year attachment to the US firm to up skill his knowledge and experience in cyber security. He retired in December 2009 from the firm, now known as PricewaterhouseCoopers. His 38-year career in international auditing and accounting has equipped him with a deep knowledge and an extensive experience on business and capital structures, strategies and risks, finance management and accounting, management training and sound corporate governance practice.

Academic and Professional Qualifications:
- Chartered Certified Accountant (ACCA), Association of Chartered Certified Accountants, UK
- Certified Information Systems Auditor, EDP Auditors Association Inc, USA
- Graduate Certificate in International Arbitration, Law Faculty, National University of Singapore
- Fellow, Chartered Association of Certified Accountants, UK
- Certified Public Accountant, Institute of Certified Public Accountants Singapore (now known as Institute of Singapore Chartered Accountants)
- Fellow, Institute of Certified Public Accountants Singapore (now known as Institute of Singapore Chartered Accountants)
- Executive MBA Programme of Stanford-NUS
- Executive MBA Programme of INSEAD-Coopers & Lybrand

Other Principal Commitments

	Organisation/Company	Title
1.	Leap Philanthropy Ltd	Director and Chairman, Audit Committee

Directorships/Appointments in the past 5 years

	Organisation/Company	Title
1.	JW Marriott Phuket Beach Club	Chairman, Advisory Committee
2.	The Tanglin Club	Chairman, Audit Committee
3.	Stroke Support Station Ltd	Director and Chairman, Audit Committee

KEY EXECUTIVES

NG CHIN HWEE

Chief Executive Officer

Mr Ng is a Director and the Chief Executive Officer of SIA Engineering Company (SIAEC). Prior to his appointment as the Chief Executive Officer on 1 April 2020, he was the Executive Vice President for Human Resources and Operations in Singapore Airlines Ltd until 31 March 2020.

Mr Ng joined Singapore Airlines in 1985 where he was appointed to various senior positions in Singapore and overseas. In 2004, he returned to Singapore to take up the position of President & Chief Executive Officer of Singapore Airport Terminal Services Ltd (SATS). He left SATS to rejoin Singapore Airlines as Executive Vice President for Human Resources and Planning on 1 January 2008. He assumed the position of Executive Vice President Human Resources and Operations on 1 February 2011 and was in charge of the divisions of Cabin Crew, Engineering, Flight Operations, Customer Services and Operations, and Human Resources.

Mr Ng is currently the Deputy Chairman of Singapore Aero Engine Services Pte Ltd and a member of the Advisory Board of the Engineering Systems and Design Pillar at the Singapore University of Technology and Design.

Mr Ng holds a Master of Science degree in Management from the Massachusetts Institute of Technology, USA, and a Bachelor of Engineering (1st Class Honours) degree from the National University of Singapore.

FOO KEAN SHUH

Executive Vice President Operations
Chief Sustainability Officer
From 1 April 2022

Mr Foo was appointed Executive Vice President Operations and Chief Sustainability Officer on 1 April 2022. He joined the Engineering Division of Singapore Airlines in 1994 as a Technical Services Engineer. He went on to hold various senior positions in the division, including Vice President Maintenance Planning & Control, Vice President Technical Projects and Divisional Vice President Engineering (Operations). On 1 June 2016, he was appointed as Senior Vice President Innovation & Technology in SIAEC. He then took on the position of Senior Vice President Line Maintenance & Cabin Services on 1 April 2018, prior to his last appointment as Senior Vice President Corporate Planning, Fleet Management & Commercial on 1 October 2020.

Mr Foo is the Chairman of Aerospace Component Engineering Services Pte. Ltd. and Pan Asia Pacific Aviation Services Limited (Hong Kong), and a director of Eagle Services Asia Private Limited.

Mr Foo holds a Master of Science (Thermal Power) degree from Cranfield University, UK and a Bachelor of Engineering (Aerospace Engineering) (Honours) degree from the Royal Melbourne Institute of Technology, Australia.

WONG YUE JEEN

Senior Vice President Partnership Management & Business Development

Mr Wong was appointed to his current role of Senior Vice President Partnership Management & Business Development on 20 July 2020. He joined SIAEC in March 2008 and has held various roles in the company including positions in Aircraft & Component Services and Engine Services. His most recent appointment prior to his current role was as Senior Vice President Base Maintenance.

Prior to joining SIAEC, Mr Wong spent several years in General Electric where his roles principally centred around business development, mergers and acquisitions, E-business as well as commercial operations in the engineering plastics business which included styrenics and aerospace structured composites products. Before General Electric, Mr Wong held various roles in finance, information technology, internal audit and quality management at ABB Alstom, SAP, ICI Asia Pacific and the Urban Redevelopment Authority.

Mr Wong is the Chairman of SR Technics Malaysia Sdn Bhd, Deputy Chairman of Eagle Services Asia Private Limited and Boeing Asia Pacific Aviation Services Private Limited, and a Director of Singapore Aero Engine Services Private Limited, Jamco Aero Design & Engineering Private Limited and Panasonic Avionics Services Singapore Private Limited. He is also President of the Association of Aerospace Industries Singapore.

Mr Wong holds a joint Bachelor of Science degree from the School of Mathematical and Information Science at La Trobe University, Australia. He is also a Fellow of the Institution of Engineering and Technology (FIET IEng), and a Member of the Institute of Singapore Chartered Accountants (CA) and CPA Australia (CPA).

KEY EXECUTIVES

PHILIP QUEK CHER HEONG
Senior Vice President
Line Maintenance
From 1 April 2022

Mr Quek was appointed Senior Vice President Line Maintenance on 1 April 2022. He joined SIAEC in 2001 and served in various divisions such as Base Maintenance, Workshops, Line Maintenance, Fleet Management, IT and in SIA Engineering (Philippines) Corporation. He was appointed Vice President Workshops in April 2013, General Manager of SIA Engineering (Philippines) Corporation in September 2014, Acting Senior Vice President Line Maintenance & IT in April 2015, Senior Vice President Line Maintenance & Fleet Management in October 2016, Senior Vice President Partnership Management & Business Development in April 2018 and Senior Vice President Base Maintenance in July 2020.

Mr Quek is the Deputy Chairman of Goodrich Aerostructures Service Center – Asia Pte. Ltd., and a Director of Goodrich Aerostructures Service (China) Co. Ltd, SIA Engineering (Philippines) Corporation and Moog Aircraft Services Asia Pte Ltd.

Mr Quek holds a Bachelor of Engineering (Honours) degree from the Nanyang Technological University, Singapore.

NG LAY PHENG
Senior Vice President
Finance / Chief Financial Officer

Ms Ng was appointed Chief Financial Officer of SIAEC on 1 October 2017.

Ms Ng joined Singapore Airlines in 1992 as an Accountant and has held various appointments within the SIA Group of Companies. She was Vice President Finance at SilkAir before she joined SIAEC on 12 April 2017 as Vice President Finance.

Ms Ng is also a Chairman of Fuel Accessory Services Technologies Pte Ltd.

Ms Ng holds a Bachelor of Accountancy (Honours) degree from the National University of Singapore.

NG JAN LIN WILIN
Chief Commercial Officer
From 1 April 2022

Mr Ng was appointed Chief Commercial Officer on 1 April 2022. Prior to his latest appointment, he was previously responsible for the Line Maintenance, Fleet Management, Engineering, Innovation and Information Technology divisions. He joined SIAEC in August 1994 and has held various senior positions in Line Maintenance Division and Information Technology Division. He was appointed Vice President Line Maintenance in 2011 and Vice President Information Technology in 2015. In addition, Mr Ng has also been seconded to Singapore Airlines, where he served in the areas of Material Management and Fleet Management.

Mr Ng is the Chairman of Singapore Aero Support Services Pte. Ltd., Deputy Chairman of Safran Landing Systems Services Singapore Pte Ltd, and a Director of Southern Airports Aircraft Maintenance Services Co. Ltd.

Mr Ng holds a Master of Business Administration degree and a Bachelor of Engineering (Honours) degree from the Nanyang Technological University, Singapore.

DAVID SO MAN FUNG
Senior Vice President
Transformation & Technology

Mr So was appointed Senior Vice President Transformation & Technology in January 2021. Prior to his latest appointment, he was Vice President Transformation Office and was responsible for SIAEC's business transformation program and change management.

Mr So joined SIAEC in 2005 as an Executive Engineer, specialising in airframe systems and aircraft structures. Between 2011 and 2015, he held various senior positions in Engineering and Fleet Management Divisions, including Vice President Engineering and Fleet Technical Management. He assumed the position of Vice President Engineering in 2016. Besides supporting operations with technical solutions, he was in charge of spearheading strategic and innovative plans for technology adoption across all divisions in SIAEC.

KEY EXECUTIVES

Mr So is currently Chairman of Additive Flight Solutions Pte Ltd, and a director of Component Aerospace Singapore Pte Ltd.

Mr So was on the council of the Institution of Engineers Singapore from 2013 to 2017. He holds a Bachelor of Engineering (Honours) degree from the National University of Singapore and is a Chartered Engineer.

CHUA HOCK HAI
Senior Vice President
Human Resources

Mr Chua Hock Hai was appointed Senior Vice President Human Resources of SIAEC on 1 February 2021. He is currently responsible for the Human Resources Division which includes the Training Academy division.

He started his career as a software engineer and was a global project manager before transitioning to Human Resources (HR).

Mr Chua was formerly the Head of Human Resources, APAC & Japan, at Skyworks Solutions Inc. where he was responsible for HR across seven countries, including Industrial Relations for Singapore and Japan. Prior to that, he was HR Director at Philips Electronics Singapore and Vice President of HR Development in DHL covering the APAC region.

Mr Chua holds a Master of Business Administration (Management of Technology) degree from the Nanyang Business School and a Bachelor of Electrical and Electronics Engineering degree from the Nanyang Technological University, Singapore.

STEFAN FRANZ HEINRICH SCHMUCK
Senior Vice President
Engine Services
From 1 November 2021

Mr Stefan Schmuck was appointed Senior Vice President Engine Services on 1 November 2021. He is currently responsible for the Engine Services Division.

Prior to joining SIAEC, Mr Schmuck last held the position of Managing Director Operations (COO) in XEOS Sp. z o.o (a Joint Venture of Lufthansa Technik and GE Aviation) at Wroclaw Poland since November 2016. He has 6 years of prior work experience with GE Aviation and 15 years in Lufthansa Technik, and held appointments covering regions such as Ireland, North America, Germany, Latin America and Africa. He has international experience in aircraft maintenance, repair and overhaul, and aerospace component manufacturing industries, with a wide span of leadership responsibilities in operations, lean process, sales, customer relationship, and profit and loss responsibility.

Mr Schmuck is also the Deputy Chairman of GE Aviation, Overhaul Services - Singapore Pte Ltd.

Mr Schmuck has a Master of Science degree in Aerospace Engineering from the Technical University of Munich and completed the General Management Program from Harvard Business School.

JEREMY YEW
Senior Vice President
Base Maintenance
From 1 April 2022

Mr Jeremy Yew was appointed Senior Vice President Base Maintenance on 1 April 2022. He is currently responsible for the Base Maintenance Division.

Prior to his appointment, Mr Yew was the Vice President, Technical Services, in the Engineering Division of Singapore Airlines, a position he had held since 2018. He joined Singapore Airlines as a Technical Services Engineer in 2005 and his experience includes Fleet Management for Airbus as well as Engineering Leadership stints in Scoot and Tiger Airways.

Mr Yew is also the Chairman of SIA Engineering (Philippines) Corporation.

Mr Yew has a Master of Business Administration degree from the National University of Singapore and the University of California, Los Angeles, and a Bachelor of Engineering (Honours) degree from the National University of Singapore.

Clear signs of recovery have emerged as more countries chose to manage COVID-19 as endemic, leading to the easing of border restrictions in many countries.

FINANCIAL YEAR OPERATING RESULTS

The last two years had been challenging for SIAEC as the devastating effect of the COVID-19 pandemic led to grounded flights globally, and in turn, reduced MRO activity. Clear signs of recovery have emerged as more countries chose to manage COVID-19 as endemic, leading to the easing of border restrictions in many countries. This triggered a surge of pent-up travel demand and a steady uptick in global flight activities.

For the financial year ended 31 March 2022 (FY2021/22), the Group posted revenue of $566.1 million, an increase of 27.8% year-on-year from $443.0 million in FY2020/21. This was driven predominantly by a higher number of flights handled. Group expenditure, meanwhile, grew at a lower rate of 25.6% to $587.9 million, compared to $468.0 million a year ago, mainly due to an increase in payroll costs as the Group progressively rolled back its manpower management measures during the year, accompanied in parallel by a reduction of government wage support. Consequently, the Group narrowed its operating loss in FY2021/22 to $21.8 million from $25.0 million a year ago.

Share of profits from associated and joint venture companies rose 98.2% to $79.1 million in FY2021/22 largely due to a one-time writeback of tax provisions by some of the associated companies, compared to a one-time tax charge in FY2020/21. The Engine and Component segment contributed profits of $89.8 million, while the Airframe and Line Maintenance segment recorded a loss of $10.7 million.

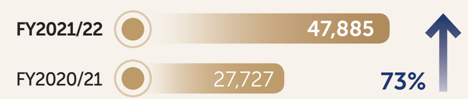
At the Group level, the Group posted a full-year net profit of $67.6 million in FY2021/22, reversing the loss of $11.2 million in the previous financial year when substantial impairment provisions, including a $35.0 million impairment provision on Base Maintenance assets, were made. Without the uplift from government wage support, the Group would have recorded a loss of $25.9 million.

OPERATING PERFORMANCE

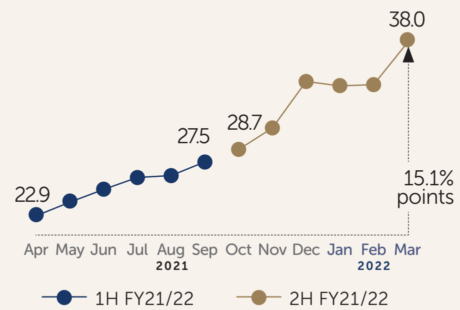
Flights handled by Line Maintenance in Singapore had increased 73% year-on-year to 47,885, or 29% of its pre-pandemic workload. This was largely due to the improved demand for transit services and aircraft return-to-service work as flight activities gradually increased. The recovery of flight activities over the course of FY2021/22 was gradual with a stronger pick up in the second half. Flights handled at Line Maintenance rose 15.1 percentage points over the financial year to 38.0% of pre-pandemic volume in March 2022, and further improved to 45% in April 2022, reflecting the improving sentiments in the aviation sector. Similar recovery trends were observed at the Group's overseas Line Maintenance stations.

With higher efficiency and reduction in turnaround time as a result of the successful adoption of Lean practices, additional capacity was created at Base Maintenance. Along with an increase in demand as well as active marketing to fill the additional capacity, Base Maintenance secured and completed more aircraft checks in FY2021/22. Our Singapore Base performed 441 maintenance checks and our Clark Base in the Philippines

Flights Handled at Changi Airport (Annual)



Flight Recovery Against Pre-Pandemic Level (%)



performed 24 checks, up from 283 and 10 respectively a year ago. Many of the checks in FY2021/22 had lighter work content due to a young fleet of new-generation aircraft.

At Fleet Management, the division managed 95 aircraft from nine airlines as at 31 March 2022, compared to 80 aircraft a year ago. Demand recovery at the Group's Engine and Component segment, where overhaul cycles are partially time-based, was slightly higher than the recovery in flight activities.

IMPACT OF COVID-19

SIAEC has taken a strategic approach by looking beyond managing the immediate impact of COVID-19. With the changes that the pandemic has wrought across the aviation industry, such as the retirement of older fleet types and the introduction of new-generation aircraft that require less maintenance, the Group has adopted strategies that will position it to seize opportunities in this changed landscape and drive sustainable growth in the long-term.

We took steps to invest and develop new capabilities in engine and component services through two new business divisions, positioning them to cater to new-generation aircraft and to tap into the anticipated recovery and growth of the aerospace sector. Key developments included the opening of a new Aircraft Engine Services (AES) facility in Singapore to provide engine Quick Turn and modification embodiment services for the CFM LEAP-1A and LEAP-1B engines under the Engine Services Division, and the acquisition of a 75% stake in SR Technics Malaysia to form a component MRO joint venture to complement and broaden the scope of component repair and overhaul services for the new Component Services Division.

Active management of the impact of COVID-19 on our workforce has enabled us to minimise business disruption. Earlier measures to mitigate manpower surpluses and manage manpower costs were progressively stepped down in phases by the Group in FY2021/22 on improved global sentiments. These included the lifting of wage cuts and no-pay leave for employees, reinstating employees who were on furlough and rehiring sub-contract workers, amongst others. The ability to stay nimble and resilient during this difficult period has been facilitated principally through the Government Job Support Scheme and the strong tripartite relationship with our unions and NTUC. Our local workforce was retained and in preparation for the recovery, upskilling was undertaken to ensure that we emerge stronger from the recovery. This has enabled us to step up our manpower resources rapidly in response to the quicker recovery experienced in the latter half of the year. With the stronger recovery expected in FY2022/23, the Group has ramped up manpower recruitment in preparation for the increase in business activities.

With government wage support set to taper off in July 2022, the Group continues to exercise prudence in managing rising costs whilst staying agile in responding to market needs and seizing opportunities for future growth. To maintain financial resilience, a medium term note programme for the issue of Euro notes totalling S$1 billion was established.

Progress was made in SIAEC's Transformation journey that strengthened our efforts to boost competitiveness. This included the adoption of Lean initiatives that yielded over 20% improvements in productivity and turnaround time, as well as investments in IT and digital infrastructure that enabled our staff to improve productivity, operational efficiency, and take on higher-value work. These efforts were supported by upskilling and training programmes in FY2021/22, which averaged around 41 hours per employee. A series of company-wide events and campaigns to reinforce a culture of innovation and continuous improvement also yielded positive results. Many innovation ideas from employees have been successfully executed, some of which include assistive tools that simplified work processes, increased productivity, reduced physically-demanding tasks and enhanced safety.

To protect employee health and safety, vaccination-differentiated safe management measures were implemented by the Group, together with talks and counselling services to support their mental wellbeing. Employee communications were enhanced via senior management dialogues and the Company's one-stop COVID-19 Support Portal, which provided access to regular advisories and information.

OUTLOOK

While the Group is confident of recovery as Singapore restores its status as an international aviation hub, we are mindful that significant risks remain due to geopolitical tensions and conflicts, rising inflation, and continuing threats of new COVID-19 outbreaks from new COVID-19 variants. For the year ahead, the Group's performance rests on the degree of revenue recovery outpacing rising costs and the stepping-down of government wage support.

To emerge stronger and grow sustainably beyond the recovery phase, we will continue to strengthen our core competencies through digitalisation, automation and Lean initiatives under our Transformation programme while also pursuing growth by expanding our capabilities, services and geographical presence through acquisitions and partnerships. At the same time, we will continue to exercise financial prudence and manage risks judiciously.

DIVIDENDS

While flight activities are showing clear signs of recovery, they remained low against pre-pandemic levels. In view of the foregoing uncertainties and risks, the Board does not recommend a dividend for the financial year.

AIRFRAME AND LINE MAINTENANCE

Airframe and Line Maintenance Revenue ($M)

Number of Checks Performed at Singapore Base

	Light Checks	Heavy Checks	Total
FY2021/22	348	93	441
FY2020/21	223	60	283

Number of Checks Performed at Clark Base

	Heavy Checks
FY2021/22	24
FY2020/21	10

Airframe Overhaul And Line Maintenance

Aircraft are mandated to undergo scheduled checks to maintain their airworthiness certifications with national regulatory authorities, such as the Civil Aviation Authority of Singapore, Federal Aviation Administration of the United States, and the European Union Aviation Safety Agency. These scheduled checks are performed by licensed engineers and technicians at the airport apron as well as the Group's six hangars in Singapore and three hangars in Clark, Philippines. For new-generation aircraft, light checks are increasingly performed at the apron rather than in hangars for more efficient use of ground time for airline customers.

Our airframe overhaul services include:

- Airframe structural repair and modification
- Cabin refurbishment and modification
- VIP aircraft modification
- Aircraft painting
- Retrofit of in-flight entertainment and avionics systems
- Aircraft delease checks
- Aircraft preservation
- Return to Service checks

Serving international clients at strategically located airports around the world, the Group's international line maintenance network ensures high dispatch reliability of aircraft on transit and night stops. Our line maintenance services include:

- Aircraft certification
- Technical ramp handling services
- Scheduled light checks
- Cabin maintenance services and parts fabrication
- Cabin disinfection and cleaning services
- Specialised Quick Action Team for aircraft-on-ground (AOG) recovery and engine changes

The progressive implementation of Lean practices had led to turnaround times improving by over 20% across SIAEC's operations. This created additional capacity for checks at Base Maintenance, which was filled by a pick-up in demand and our active marketing drive. As such, the Singapore Base secured and completed 441 checks in FY2021/22, an increase of 55.8% over the 283 performed last year, the bulk of which comprised lighter work content for new-generation aircraft. We expect wider applications of Lean to gain traction as work volume ramps up with the recovery trend.

Our Base Maintenance Singapore unit added new Airframe Overhaul contracts and scope of services with three airline customers during the year. This included a new agreement with Hawaiian Airlines to perform 12-year checks from March 2022 for its Airbus A330 fleet, which is in addition to an existing agreement for heavy checks and aircraft painting.

We are also looking to grow beyond the shores of Singapore with the signing of a non-binding Memorandum of Understanding with a wholly-owned subsidiary of Malaysia's sovereign wealth fund, Khazanah Nasional Berhad, for the potential lease of two hangar facilities that could yield a combined capacity for six simultaneous aircraft checks.

Compared to 27,727 flights handled a year ago, flights handled at Line Maintenance in Singapore increased 73% year-on-year to 47,885 flights in FY2021/22, recovering to about 29% of pre-pandemic workload. We renewed line maintenance contracts with five airlines and added 18 new contracts in Singapore. Our Line Maintenance International network also added over 17 new contracts.

The Line Maintenance International network will be expanded further through joint ventures with Air Innovation Korea (51%-owned) in South Korea and Pos Aviation Engineering Services (49%-owned) in Malaysia. These joint ventures will increase the network to over 40 airports across nine countries.

Fleet Management

Number of Aircraft Managed

The Fleet Management business comprises seamless solutions for Fleet Technical Management (FTM) and Inventory Technical Management (ITM) on behalf of our customer airlines.

FTM covers a full range of engineering and maintenance support activities that ensures all aspects of safety and airworthiness are met. These include:

- Formulation and upkeep of aircraft maintenance programmes
- Maintenance planning and control
- Engineering services and design
- Quality and reliability programmes

ITM ensures high dispatch reliability and reduces aircraft maintenance cost and risk of inventory obsolescence. We provide 24/7 ITM services that include:

- Component access and pooling, onsite consignment
- Component repair and overhaul management
- Warehousing services
- Logistics and supply chain management
- 24/7 AOG support services
- Turnkey solutions for aircraft entry-into-service preparations

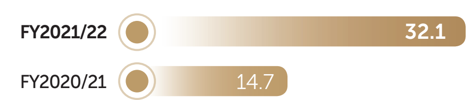
Work volume at Fleet Management remained muted in the first three quarters of FY2021/22 from the combined impact of low flight hours and retirement of older aircraft by some customers, but saw a pick-up in the fourth quarter with the easing of travel restrictions.

During the year, we signed an Inventory Technical Management Programme with Thai VietJet, Thailand's leading low-cost carrier based at Bangkok's Suvarnabhumi Airport. Under the programme, SIAEC will provide comprehensive pooling as well as repair and overhaul of airframe and engine components for six years, along with on-site inventory in Bangkok.

As at 31 March 2022, we have a fleet of 95 aircraft from nine customers under management, up from 80 aircraft a year ago.

ENGINE AND COMPONENT

Engine and Component Revenue ($M)



The Engine Services Division was established in early FY2021/22 to consolidate and grow the engine services business. Engine Services Division, with its services suite of engine maintenance, storage and preservation, material management, on-wing services and engine testing, will allow SIAEC to better integrate into the engine MRO value chain; strengthen our engine services eco-system; and increase our value to OEM partners and airline customers.

One of the key developments was the signing of a 10-year agreement with Safran Aircraft Engines (SAE) to provide engine test services for its CFM LEAP-1A and -1B engines. The contract adds to a pre-existing engine maintenance services agreement for which SIAEC provides On-Site Support, Quick Turn and Borescope Inspection services for these engines. The engine test services will be provided at SIAEC's existing engine test facility, which will be upgraded with the latest data acquisition and control system for additional test capabilities.

Another new contract signed was a 10-year agreement with Rolls-Royce PLC to provide line maintenance and in-field services for Rolls-Royce Trent 7000, 1000, 900, 800, 700, 500 and XWB engines. As part of the contract, SIAEC's existing on-wing care services was expanded to new capabilities for the Trent 7000 and Trent XWB engines, further strengthening our scope of engine services in support of OEM partners and airline customers.

In February 2022, we opened our new $9.0 million Aircraft Engine Services (AES) facility in Singapore which is custom-designed to perform at least 60 Quick Turns per year, with an additional 50% capacity to cope with surge demands. The Lean-enabled facility is catered to meet the growing market demand for engine Quick Turn maintenance where shop visits are driven by specific work to minimise engine time off-wing, which optimises both engine availability and reliability on-wing. We plan to extend engine Quick Turn services beyond SAE to the wider market in future as global air travel continues to recover. Please refer to pages 28 to 29 for more details on our engine services capabilities.

In a strategic step towards growing the component MRO business, SIAEC acquired a 75% stake in SR Technics Malaysia (SRT Malaysia) to form a component MRO joint venture. SRT Malaysia is a provider of component repair, testing and overhaul services for the Airbus A320, A330, A340 and the Boeing 737NG aircraft in the Asia-Pacific region and beyond. With completion of the acquisition in May 2022, the new subsidiary enhances our existing component repair and overhaul services and fleet management programmes, unlocking synergies and new capabilities for more than 750 different aircraft part numbers.

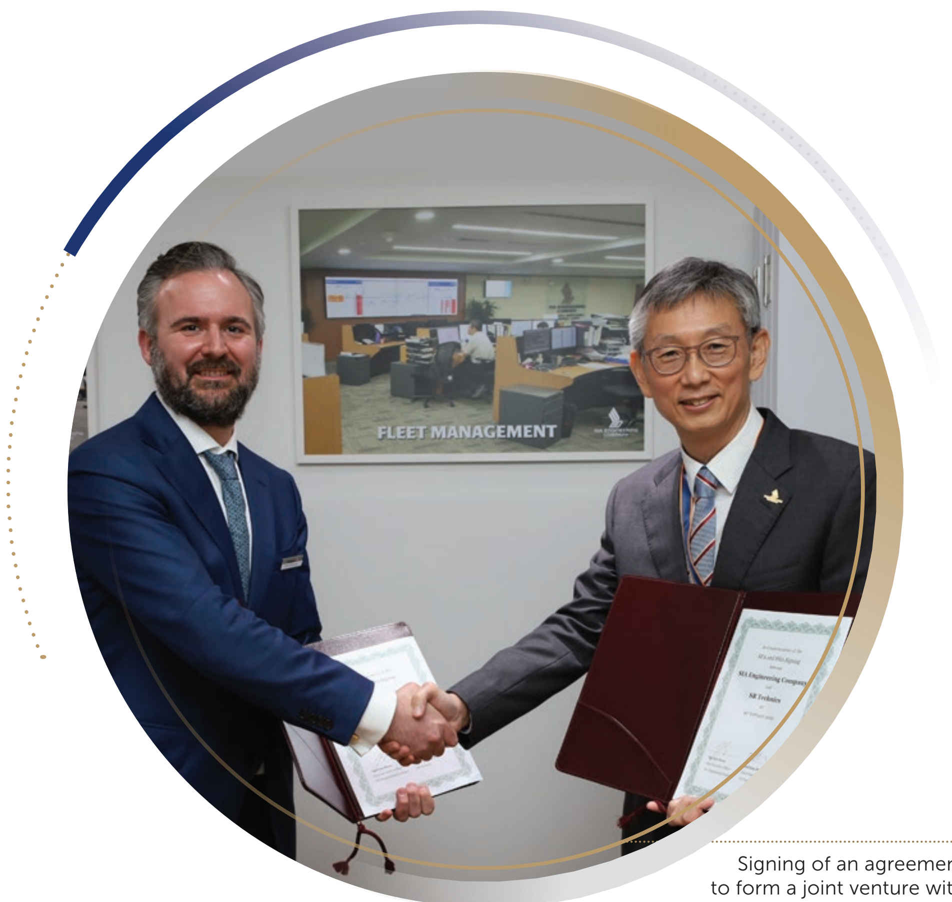
We also expanded our collaboration with Iacobucci HF Aerospace (IHFA), a cabin interior OEM for major airframe manufacturers such as Airbus and Boeing. Under the long-term agreement, SIAEC will distribute and sell spare parts required for the aftermarket activities of IHFA's galley insert products in Asia-Pacific, providing greater parts accessibility and faster support to customers. These products are mainly featured on the premium cabins of current and next-generation aircraft, including Airbus A350 and A320neo as well as Boeing 787, 777X and 737MAX.

To further focus on growing our component MRO business and broadening our repair capabilities for new-generation aircraft, we announced the formation of the Component Services Division. All existing component repair and fleet management services, including inventory technical management services, were consolidated under the Component Services Division on 1 April 2022.

Through partnerships with the world's leading engine and component manufacturers, the Group provides a wide spectrum of engine and component MRO services. Amongst our 14 engine and component joint ventures based in Singapore, five are with Pratt & Whitney, Rolls-Royce and GE Aviation. Singapore Aero Engine Services and Eagle Services Asia are the Asia-Pacific Centres of Excellence for Rolls-Royce and Pratt & Whitney, respectively.

Seven other joint ventures in Singapore specialise in the repair and overhaul of various components, such as airframe composite components, flight control systems, inflight entertainment and communications systems, avionics and electrical components, and landing gears, amongst others. Other joint ventures include JAMCO Aero Design & Engineering, which provides turnkey solutions for aircraft interior modifications, and Additive Flight Solutions, which produces 3D printed parts for use in commercial aviation. We also participate in the PurePower PW1000G Risk Revenue Sharing Program for the Airbus A220 engine through a wholly-owned subsidiary, NexGen Network (2) Holding.

During the year in review, we divested our entire 39.2% stake in Asian Surface Technologies (AST), a joint venture with PAS Technologies (PAS) and United Technologies International Corporation, to PAS. The disposal was made as part of our focus on building next-generation aircraft capabilities as well as considering the declining work volume at AST for the repair of aircraft engine fan blades and the provision of coating services to the aviation, and oil and gas industries.



Signing of an agreement to form a joint venture with SR Technics in Malaysia.

Enhancing the SIAEC Joint Venture Network, Emerging Stronger Together

We constantly seek to forge better business collaboration with joint venture partners and strengthen our value propositions to our stakeholders. One of the initiatives launched during the year is the SIAEC Partners Forum. The agenda for this annual get-together is broad-ranging, spanning review of industry outlook; discussions on strategy alignment; sharing of best practices; and initiation of further collaborations.

At the inaugural Forum held in April 2021, speakers presented their perspectives on the outlook for the MRO industry, measures that aviation companies could take to weather and recover from the COVID-19 pandemic situation and the relevance of digitisation and Industry 4.0 to the aerospace industry. The participating organisations included SIAEC's joint venture companies, OEM partners from Rolls-Royce, Pratt & Whitney, Collins Aerospace, Airbus, Boeing and GE Aviation, as well as Singapore Airlines, Economic Development Board (EDB) and Association of Aerospace Industries (Singapore).

Efforts have come to fruition and the network has undertaken joint marketing and joint purchasing initiatives (consumables/expendables and solar electricity purchase). We have also provided technical assistance, group support services (quality, legal, company secretarial and audit), and manpower support to the network.

STRENGTHENING SAFETY CULTURE

Safety is of foremost priority to SIAEC's business and operations. To reinforce our commitment thereto, SIAEC has signed the "Charter for a Strong and Positive Safety Culture in Singapore", which was launched by the Civil Aviation Authority of Singapore at the annual Aviation Safety Forum in March 2022. This charter encapsulates the shared commitment to jointly uphold safety standards and strengthen safety culture in the respective organisations as air travel recovers. At SIAEC, we have correspondingly increased our efforts to ensure the Company is ready to safely support the increasing number of aircraft returning to service.

During the period of slower business activities, safety training was stepped up. We tap on our Aviation Safety Promotion Centre to reinforce aviation safety awareness, where 99% of our employees have completed an instructor-led training as at 31 March 2022, and contents for future safety training will be continually refreshed. Our Workplace Safety Promotion Centre, which was set up in 2020, reinforces a workplace safety culture and mindset amongst staff through various programmes and training. The Centre curates relevant content, exhibits and news media to create safety awareness, and offers an integrated learning environment combining classroom-based lessons with experiential and visual learning for participants.

SUBSIDIARIES, JOINT VENTURES AND STRATEGIC PARTNERSHIPS

AIRFRAME AND LINE MAINTENANCE

SIA Engineering (USA)
United States 100%

PT JAS Aero-Engineering Services
Indonesia 49%

Pan Asia Pacific Aviation Services
Hong Kong 40%

SIA Engineering (Philippines)
Philippines 100%

Boeing Asia Pacific Aviation Services
Singapore 49%

Pos Aviation Engineering Services
(pending completion of transaction)
Malaysia 49%

SIA Engineering Japan
Japan 100%

Southern Airports Aircraft Maintenance Services
Vietnam 49%

Singapore Aero Support Services
Singapore 100%

Heavy Maintenance Singapore Services
Singapore 100%

Joint Venture with Air Innovation Korea
(to be incorporated)
Korea 51%

ENGINE AND COMPONENT

Singapore Aero Engine Services
Singapore 50%

Eagle Services Asia
Singapore 49%

Turbine Coating Services
Singapore 24.5%

Fuel Accessory Service Technologies
Singapore 49%

Safran Electronics & Defense Services Asia
Singapore 40%

Additive Flight Solutions
Singapore 60%

Moog Aircraft Services Asia
Singapore 49%

SR Technics Malaysia
Malaysia 75%

GE Aviation, Overhaul Services – Singapore
Singapore 49%

Component Aerospace Singapore
Singapore 46.4%

JAMCO Aero Design & Engineering
Singapore 45%

Goodrich Aerostructures Service Center – Asia
Singapore 40%

Safran Landing Systems Services Singapore
Singapore 40%

Aerospace Component Engineering Services
Singapore 51%

Panasonic Avionics Services Singapore
Singapore 42.5%

INVESTMENT HOLDING

NexGen Network (1) Holding
Singapore 100%

NexGen Network (2) Holding
Singapore 100%

Line Maintenance International (LMI) · Other Partners · LMI (pending) · Rolls-Royce · GE · Pratt & Whitney · JAMCO · Collins · Safran

We hold a Safety and Security Week annually to reinforce aviation and workplace safety and, through awards and citations, recognise exemplary employees for their conscientious safety efforts. The latest edition was conducted in September 2021 with the theme "Emerging Stronger, Safe and Secure".

For the past few years, SIAEC has also participated at the Airport Safety Awards, an initiative by the Changi Airport Group (CAG) to recognise the safety efforts of employees and partners of the airport community in Singapore. At the latest event in 2021, we received four awards, attesting to our commitment to building a strong safety culture.

We continually review our practices and processes, and implement initiatives and technologies to enhance safe operations, actively engaging employees in the process. For example, our Innovation Challenge held yearly is an effective platform for employees on the ground to contribute safety or productivity-enhancing ideas based on their own work experiences. One of the ground-up initiatives is a customised maintenance step to facilitate access to the aircraft wheel well. With the improved design of the maintenance step, staff are now able to access previously hard-to-reach areas within the wheel well to perform maintenance tasks such as greasing, thereby enhancing safety and efficiency.

GREEN MRO SERVICES AND SUSTAINABILITY EFFORTS

We are encouraged that our Environment, Social and Governance (ESG) efforts have gained traction and this is recognised and reflected in our improved ratings and rankings by sustainability rating agencies. We established the Board Sustainability Committee and appointed our Executive Vice President Operations as the Chief Sustainability Officer in April 2022 to drive and accelerate sustainability efforts within SIAEC Group.

In the process of building and acquiring new capabilities, we recognise the importance of mitigating the potential impact to the environment and we are committed to the goal of net zero carbon emissions by 2050. In a step towards this goal, in February 2022, our engine test facility successfully performed engine tests using blended sustainable aviation fuel which produced 32% lower carbon emissions compared to conventional fossil jet fuel, in a trial conducted with our joint venture with Rolls-Royce, Singapore Aero Engine Services. This paves the way for more engine tests to be performed using sustainable aviation fuel when the adoption of such fuel scales up in the future and broadens SIAEC's array of green MRO services.

In February 2022, our wholly-owned subsidiary, SIA Engineering (Philippines) Corporation (SIAEP), also signed an agreement to provide sustainable, end-to-end aircraft recycling solutions to aircraft part-out specialist North American Aerospace Industries (NAAI). SIAEP is collaborating with NAAI to provide a range of services including aircraft parking and storage, component harvesting and dismantling activities on aircraft that will be parted-out and recycled by NAAI at the Clark Base in the Philippines.

Significant efforts were made to reduce our carbon footprint. We successfully completed a trial of electric tractors in FY2021/22, and plan to increase their adoption in FY2022/23 throughout our fleet of vehicles in the operational environment. Additionally, two of our hangars in Singapore have been certified Green Mark (Platinum, Super Low Energy Buildings) by the Building and Construction Authority as well as Water Efficient Buildings by the Public Utilities Board.

The COVID-19 pandemic brought about paradigm shifts in many areas, including workplace norms where Working-From-Home (WFH) has featured strongly. Even as we transition to endemic treatment of the virus, we are retaining WFH elements and have implemented permanent hybrid working arrangements for eligible roles. In addition to offering employees increased flexibility and improving their well-being, this arrangement will also lead to lower emissions due to reduced employee commute.

During the year, we continued to safely run the Company's community engagement programmes while observing all social distancing measures. We supported employee participation in community events and raised funds to support various social causes. Under our corporate social responsibility framework, environmentally-focused activities such as workshops and talks, as well as outreach events such as beach clean-ups, further raised environmental awareness amongst our employees.

Our collective efforts to continue creating value for customers, partners and stakeholders have been recognised as we were awarded the Asia-Pacific MRO of the Year Award by Airline Economics magazine for the second consecutive year. This recognition will spur SIAEC to emerge stronger and achieve sustainable growth for the future as a trusted MRO partner of choice.

Since the start of SIAEC's Transformation journey in 2017, we have implemented numerous initiatives that have yielded improvements in productivity, throughput, turnaround time and operating costs across our operations. SIAEC's Transformation Phase 2, which arrows in on Lean, Digitalisation and Technology, and Innovation Culture as core thrusts, continued to gather momentum in FY2021/22.

To grow beyond recovery from the pandemic, it is imperative to innovate through new capabilities and services, enhance our operational excellence and increase customer intimacy. Transformation through Digitalisation and Technology as well as Lean, enabled by a strong innovation culture, has supported the achievement of these three thrusts, putting us in the trajectory towards growth.

Launch of the Lean Academy by Mr Tang Kin Fei, Chairman of SIAEC (left); Ms Gan Siow Huang Minister of State, Ministry of Education (centre); and Mr Ng Chin Hwee, CEO of SIAEC (right).

Scaling Up Lean

In FY2021/22, we further strengthened our efforts under Phase 2 of our Transformation programme through the roll-out of a series of Lean initiatives across our Base Maintenance, Line Maintenance and Engine Services Divisions. Collectively, these Lean initiatives have yielded significant improvements in generating additional capacity via shorter turnaround times and higher task accomplishment rates. Investments in IT and digital infrastructure were also made during the year which provided the foundation to implement digital technologies in accordance with SIAEC's digital roadmap. This will better support the workforce in areas of improving productivity, operational efficiency and enabling employees to perform higher value work.

We are increasing the pervasiveness of Lean awareness and adoption across the organisation with the scale-up of Lean projects in FY2021/22 and we had attained more than 20% improvement in turnaround times across our operations divisions. We also launched the Lean Academy in September 2021, which was officiated by Ms Gan Siow Huang, Minister of State, Ministry of Education. Through the academy, the Company has rolled out extensive Lean training programmes to staff in FY2021/22, which has raised the Lean literacy rate of the organisation.

To further establish a Lean enterprise, SIAEC will focus on broadening the implementation of Lean for interconnected processes within and between divisions and the deepening of Lean maturity through rapid improvement activities using the concept of Kaizen.

Advancing on Digitalisation

One of SIAEC's key thrusts under Phase 2 of Transformation is the advancement of our digital and technology capabilities in operations and business processes.

In Line Maintenance Division, we developed a suite of in-house applications to digitalise end-to-end operational processes. On work

An SIAEC employee explaining an assistive tooling which introduces automation to the labour-intensive process of aircraft slide raft packing to Ms Gan Siow Huang, Minister of State, Ministry of Education (left) with Mr Tang Kin Fei, Chairman of SIAEC (centre) and Mr Ng Chin Hwee, CEO of SIAEC (right) looking on.

planning, we piloted the rollout of Joint Planning Platform to enable integrated maintenance task planning and alignment with our airline customers, creating manhour savings for our customers and staff. We have also included additional features such as digital taskcards access as well as booking and recording of equipment usage for SmartMX, an engineers' app that provides information on the go for greater efficiency in task execution. To enhance situational awareness of Line Maintenance operations, we are codeveloping an integrated control centre application with Singapore Airlines. This will facilitate improved visibility on the maintenance and flight operations of the customer's fleet, and will also better support real-time decision-making by stakeholders.

For Base Maintenance Division, we are developing an end-to-end digital system, ETask, for planning and execution of maintenance work. ETask is a web-based system with an integrated mobile-ready feature to provide visibility of digital taskcard and accomplishment status, and facilitates dynamic manpower deployment and workflow re-sequencing. The system allows improved information flow and facilitates better collaboration and optimisation of resource deployment to meet the delivery targets for the hangar checks.

In the area of Data Engineering and Analytics, the Company rolled out data lake and data marts to divisions as part of their digital roadmaps to better support decision-making and operations planning. Specifically, cloud, data and integration technologies are leveraged to facilitate information flow and enable digital products and data analytics applications. With the continuous ingestion of data into the data lake, divisions will be better equipped to customise their operational dashboards for performance analysis.

ENGINE VARIABLE FREQUENCY GENERATOR LIFTER

Provides improved mobility and reduced manpower requirement for operations in the alignment to removal / installation point.

SLIDE RAFT TROLLEY

Facilitates operations in slide raft transportation across the aisle and thereby reducing manpower requirement in carrying out traditionally labour-intensive slide raft changes.

LINE MAINTENANCE (SMARTMX)

An engineers' app, which provides information on the go, now has additional new features such as digital taskcards access as well as booking and recording of equipment usage.

Sustaining an Innovation Culture

In FY2021/22, SIAEC continued to cultivate an environment conducive for innovation, and to harness the ground up initiatives from employees through various activities and events. A key event is the Innovation Week 2022, which was inaugurated by NTUC Secretary-General Mr Ng Chee Meng. The week-long event was launched with the theme "Innovate for Growth" and included SIAEC digital product showcases, vendor exhibits, talks by external speakers and employee recognition ceremonies. The event drew over 2,000 visitors with participation from employees, unions, joint ventures and guests.

Moving forward, we plan to have more platforms to support ideation aside from the annual Innovation Week. One such example would be the "Launchbay Labs" which was set up by Line Maintenance Division as a prototyping workspace for employees to develop and iterate their ideas to realisation. Various ground-up ideas such as the slide raft trolley and brake lifter were created in this facility.

To emerge stronger post-COVID-19, the Company has been intensifying its Transformation efforts. Planned investments of $40 million have been progressively disbursed for digital product development, Lean implementation, training and reskilling staff. Beyond operational efficiency and delivering digital capabilities, our Transformation efforts are also centred on promoting staff ownership, fostering a collaborative environment, and strengthening our innovation culture so as to sustain continuous improvements.

INNOVATION WEEK

Mr Ng Chee Meng, Secretary General, National Trades Union Congress (left) and Mr Ng Chin Hwee, CEO, SIAEC (right), at the launch of SIAEC's Innovation Week 2022.

A turnkey solution developed by SIAEC Line Management Division enables easier and faster brake changes.

Mr Ng Chee Meng, Secretary General, NTUC, with SIAEC's senior management and union leaders supporting Innovating for Growth.

EXPANDING ENGINE SERVICES CAPABILITIES

AES increases our capabilities for both CFM LEAP-1A and LEAP-1B, enhances our engine services value chain, and better positions SIAEC to seize business opportunities in the market.

A borescope inspection being performed on a CFM LEAP-1B engine.

Quick Turn for CFM LEAP-1A and LEAP-1B Engines

In February 2022, SIAEC officially opened the new Aircraft Engine Services (AES) facility in Singapore. The new engine facility, which incorporates Lean Methodology in its design, enables the Engine Services Division to support OEM Partner, Safran Aircraft Engines (SAE), in performing engine Quick Turns.

Within the first three months, the AES facility has inducted both LEAP-1A and -1B engines after achieving successful capability readiness. This strengthens our capabilities and service offerings to better support the powerplant needs of partners and customers.

Quick Turn is a Near-Wing capability that involves carrying out specific module replacement and repair without sending aircraft engines into shops for a full overhaul. Quick Turns minimise engine time off-wing, thereby optimising both engine availability and reliability on-wing. AES increases our capabilities for both CFM LEAP-1A and LEAP-1B, enhances our engine services value chain, and better positions SIAEC to seize business opportunities in the market.

At the AES facility, the disassembly process starts with the engine going through a borescope inspection, followed by the removal of the external parts, such as various accessories and line replaceable units (LRU). Then, the major modules such as the fan, core and low-pressure turbine (LPT) will be disassembled. Following that, the fan and LPT will be inspected before they are stored properly, while the core will continue to be split up. Finally, the high-pressure turbine (HPT) will be removed and sent to external parties for an overhaul.

Upon the return of the overhauled HPT, the engine, core major modules, LRUs and accessories are reassembled and then shipped out for testing.

EXPANDING ENGINE SERVICES CAPABILITIES

1st CFM LEAP-1B Quick Turn at the Aircraft Engine Services facility.

LEAP-1B Engine Radial Drive Shaft Programme

The radial drive shaft (RDS) Programme is a mandatory modification required to be performed on the CFM LEAP-1B engine, which powers the Boeing 737 Max aircraft.

As a long-term solution in place of performing an additional inspection, CFM released a special procedure to improve engine utilisation for airline operators. This approved special procedure is done by allowing quick access when replacing the radial drive shaft (RDS) bearing cage, where the engine will be trunnion to a vertical position with the engine fan case facing the ground. The RDS bearing cage can be replaced in this configuration with a post-modified part. The Engine Services Division team worked closely with SAE to acquire the necessary tooling and training required to establish this capability for carrying out this Quick Turn work at our AES facility, and successfully inducted the CFM LEAP-1B engine in May 2022.

GE90 Variable Stator Vane Rigging

The Boeing 777-300ER is a long-haul aircraft flown by many airlines around the world, including Singapore Airlines. This aircraft is powered by the GE90-115B engine, which is one of the highest thrust-generating engines currently in service. We were approached by Singapore Airlines, to develop the capability to carry out variable stator vane (VSV) rigging on GE90 engines. The rigging and repair realign the stator vane to ensure that the engine performs as intended.

Korean Airlines, another one of our customers, was engaged to help our Engine Services Division develop this rigging capability in Singapore. Following a six-week collaboration process, the team successfully performed VSV rigging on a Singapore Airlines GE90 engine at our Powerplant shop in April 2022. With this new capability, we will be able to help customers minimise a full shop visit, which in turn reduces operational disruptions and improves their engine availability.

Completion of 1st GE90 VSV rigging at SIAEC's powerplant shop.

INTRODUCTION

The Board of Directors (the "Board") and Management of SIA Engineering Company Limited (the "Company", and together with its subsidiaries, the "Group") are firmly committed to ensuring the highest standards of corporate governance. We believe that good governance is critical to the growth and sustainability of our business and enhances long-term success and value creation for all stakeholders. Our rigorous governance framework, underpinned by well-defined policies and processes, promotes quality corporate performance, excellence, integrity, active stewardship, accountability and transparency. The Board is responsible for the Group's corporate governance standards and policies and has set out clear division of powers, strong internal controls and risk management, and robust checks and balances across the Group to promote the appropriate culture, values and ethical standards of conduct at all levels.

This report describes our corporate governance practices and activities for the financial year ended 31 March 2022 ("FY2021/22") with reference to the principles and provisions of the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore (the "Code"). The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and has complied in all material aspects with the principles and substantially all of the provisions of the Code. Where there is any variation from any provision of the Code, an explanation has been provided on how the practices adopted by the Group are consistent with the intent of the relevant principle.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board's Conduct of Affairs and its Responsibilities

The Board, working closely with Management (who are held accountable for performance), is collectively responsible for the Group's overall business strategy, direction and long-term goals with appropriate focus on value creation, innovation and sustainability; operations and performance (including key aviation safety and quality initiatives); financial performance reviews and annual budgets; funding needs; investments and divestments; corporate governance and risk management practices; and compliance, internal controls and accountability systems as set out in the Board's Terms of Reference. The Board also provides guidance on pace, priority and progress of the Group's Transformation which covers innovation, technologies and digital transformations to enhance the Group's performance, capabilities and competitiveness. The Board approves the appointment of Directors and the Chief Executive Officer ("CEO"). Pursuant to corporate governance best practices, the Board also oversees the long-term succession planning for the Board and Senior Management, and approves policies and guidelines on related remuneration. The Board sets the tone from the top for the Group in respect of conduct, ethics and desired organisational culture, and ensures transparency and proper accountability to key stakeholder groups.

Board Committees

The Board is supported by seven Board committees, namely the Audit Committee, the Board Safety & Risk Committee, the Compensation & HR Committee, the Nominating Committee, the Executive Committee, the Technology Advisory Committee and the Board Sustainability Committee (established in the financial year ending 31 March 2023 "FY2022/23"). All Board committees are constituted with clear written Terms of Reference, defining the duties delegated to each of them by the Board. These Terms of Reference set out in detail the composition of each Board committee, criteria and qualifications for membership, and other procedural matters such as quorum and decision-making processes. Each Board committee is responsible for ensuring compliance with legislative and regulatory requirements in relation to matters under its purview, including requirements under the rules of the Listing Manual of the SGX-ST (the "Listing Manual") and the Code. Each Board committee also reviews its Terms of Reference periodically to ensure relevance and to incorporate evolving best practices. Board approval is required for changes to the Terms of Reference of all Board committees. The Audit Committee, the Board Safety & Risk Committee, the Compensation & HR Committee and the Nominating Committee work within the Company's risk management framework, which sets out the risk management policies and the levels of risk tolerance. Each Board committee comprises Directors with appropriate qualifications and skills and there is an equitable distribution of responsibilities among committee members. The Chairman of each Board committee provides regular updates to the Board on the decisions and significant matters discussed by the respective Board committees.

CORPORATE GOVERNANCE

BOARD COMPOSITION (AS AT 1 MAY 2022)

THE BOARD	
CHAIRMAN **TANG KIN FEI**	*Composition* 6 Independent Directors 4 Non-Independent Directors

Key Responsibilities
Responsible for strategy, operations and governance and oversees Transformation (including innovation, technologies and digital transformation) to ensure the long-term success of the Group and the delivery of sustainable value to stakeholders.

AUDIT COMMITTEE	
CHAIRMAN **CHUA BIN HWEE** (from 1 May 2022) **CHEW TECK SOON** (until 30 April 2022)	*Composition* 4 Independent Directors 1 Non-Independent Director

Key Responsibilities
To assist the Board in discharging its statutory and other responsibilities relating to financial reporting, risk management, internal controls, internal and external audit, interested person transactions, compliance and whistle-blowing.

NOMINATING COMMITTEE	
CHAIRMAN **CHRISTINA HON KWEE FONG (CHRISTINA ONG)**	*Composition* 2 Independent Directors 1 Non-Independent Director

Key Responsibilities
To review the structure, size, composition and diversity of the Board, the appointment and re-appointment of Directors, the independence of Directors, and to oversee the Board performance evaluation process, and the training and development of the Board and Directors.

COMPENSATION & HR COMMITTEE	
CHAIRMAN **TANG KIN FEI**	*Composition* 2 Independent Directors 1 Non-Independent Director

Key Responsibilities
To oversee the remuneration framework and policies for the Directors and Key Executives as well as for the Company in general, talent management and succession planning, and administration of share schemes and related programmes.

BOARD SAFETY & RISK COMMITTEE	
CHAIRMAN **LIM KONG PUAY** (from 1 April 2022) **MANOHAR KHIATANI** (until 31 March 2022)	*Composition* 3 Independent Directors 2 Non-Independent Directors

Key Responsibilities
To assist the Board in overseeing the Group's risk management system, framework and policies and ensures that Management maintains a sound system of risk management to safeguard the interests of the Group and the Company's shareholders.

EXECUTIVE COMMITTEE	
CHAIRMAN **TANG KIN FEI**	*Composition* 2 Independent Directors 2 Non-Independent Directors

Key Responsibilities
To assist the Board in overseeing the execution by Management of the overall strategy relating to the Company, its subsidiaries and joint ventures, and deputise for the Board on routine matters to facilitate day-to-day administration and approve certain expenditures.

TECHNOLOGY ADVISORY COMMITTEE	
CHAIRMAN **DR RAJ THAMPURAN**	*Composition* 1 Independent Director 1 Non-Independent Director 5 External Members

Key Responsibilities
To provide advice and feedback on technological and digital concepts, major technology-related projects, to provide guidance on technology-led innovation and digitalisation, and to provide perspective on emerging trends and opportunities in technologies.

BOARD SUSTAINABILITY COMMITTEE (Established on 19 April 2022)	
CHAIRMAN **CHRISTINA HON KWEE FONG (CHRISTINA ONG)**	*Composition* 3 Independent Directors 1 Non-Independent Director Chief Sustainability Officer

Key Responsibilities
To assist the Board on sustainability matters, to accelerate, lead and guide the Group's sustainability efforts and to weave environmental, social and governance issues into the Group's business strategies.

CHIEF EXECUTIVE OFFICER
NG CHIN HWEE

Key Responsibilities
Responsible for developing the Group's business, implementing strategies and policies, executing Board decisions, managing the day-to-day operations of the Company, and communicating on behalf of the Company to stakeholders and shareholders.

MANAGEMENT COMMITTEE	
EVP Operations & Chief Sustainability Officer SVP Line Maintenance SVP Base Maintenance SVP Engine Services	SVP Partnership Management & Business Development SVP Finance/CFO Chief Commercial Officer SVP Transformation & Technology SVP Human Resources

Key Responsibilities
To oversee specific areas of the Group's operations and businesses.

Matters requiring Board Approval

There is a clear demarcation of responsibilities between the Board and Management. The Board and Board committees have guidelines on all matters requiring their approval, and these are clearly communicated to Management and recorded in writing. Specific approval is sought for all matters of strategic importance, including corporate strategy; Group financial results; major investments, divestments and capital expenditure; governance; share issuances; dividends and other returns to shareholders; establishment of various Board committees (including their composition and Terms of Reference); and mandated interested person transactions (according to the threshold limits for review and approval procedures under the general mandate renewed annually by the shareholders of the Company). The Group has also established financial authorisation and approval limits and the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Board committees and Management to optimise operational efficiency.

Fiduciary Duties and Conflicts of Interests

There is an impartial decision-making process which allows each Director to exercise professional judgment. As fiduciaries of the Company, Directors have demonstrated objectivity in deliberations; exercised strong independent judgement in the best interests of the Company; and ensured proper accountability within the Company. Directors have exercised due care in maintaining appropriate confidentiality of the Company's information and discharged their duties responsibly in compliance with the Company's guidelines and policies, and applicable laws and regulations.

Pursuant to the Company's Code of Conduct and Ethics for the Board of Directors, which sets out the commitment of the Directors to achieving the highest level of conduct, professionalism and integrity in the discharge of their duties and obligations, a Director facing a conflict of interest must disclose such conflict and recuse himself/herself from participation in any discussion and/or decision on the matter. The Directors have complied with the foregoing obligations and such compliance has been duly recorded. The Group's policies and guidelines are regularly reviewed and updated to ensure they remain current.

Appointment and Orientation

The Nominating Committee ensures that new Directors are made aware of their duties and obligations. Each new Director receives a kit containing a formal letter of appointment setting out, inter alia, his/her legal obligations, key duties and responsibilities and minutes of recent Board meetings. The kit also contains the Company's recent annual reports and letters to shareholders. The Company's internally-developed "Directors' Manual", which is updated from time to time, provides new and existing Directors with an easy reference on matters such as their role as an executive/non-executive/independent Director, duties, obligations and responsibilities under prevailing rules and regulations in Singapore, and the Company's key policies, processes and best practices in corporate governance.

New appointees undergo a comprehensive and tailored orientation and familiarisation programme, which includes presentations by Senior Management on the Company's strategic direction and plans, core businesses and activities, operations, network of joint ventures and the regulatory environment in which the Group operates. New Directors are also brought on visits to the Company's operations bases and key joint ventures. Unless the Nominating Committee determines that he/she has other relevant experience, a new Director who has no prior experience as a director of an issuer listed on the SGX-ST will be provided with the relevant training at the Company's expense, including the mandatory training prescribed by the SGX-ST.

Continuous Professional Development

The Board is committed to ongoing professional development and has therefore adopted a policy on continuous professional development for all Directors. To ensure that Directors can effectively discharge their statutory and fiduciary duties and to continually enhance the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject matter, committee membership, or key developments in the Group's environment, markets or operations. The Nominating Committee regularly identifies for all Directors training, conferences, seminars and development programmes offered by external organisations, such as the Human Capital Leadership Institute, the Institute of Policy Studies, the Singapore Institute of Directors and the Singapore Exchange, amongst others. Directors were consulted one-on-one for their training and personal development needs for the financial year. From time to time, professional firms are invited to conduct in-house training for the Board and Directors are updated on topics of current interest and evolving technology, business, safety, legal and risk trends. Topical information and news articles are circulated to the Directors to keep them abreast of the latest developments, including the impact of COVID-19 on various aspects of governance, the industry and the Company's business. The Company Secretary also arranges briefings for the Directors on revisions to the applicable laws and listing rules to facilitate the Directors' performance of their statutory and fiduciary duties. The Company facilitates the registration and funds all training, conferences, seminars and development programmes for Directors. It also keeps a formal record of attendance for each Director.

CORPORATE GOVERNANCE

During FY2021/22, the Directors attended training and development programmes or were briefed by external consultants on subjects that included:

- Updates on the SGX-ST Listing Rules and Code of Corporate Governance;
- Engineering a Sustainable Future;
- Cyber Security for Directors;
- Board Governance of Special Purpose Acquisition Companies ("SPACs");
- SPACs – Current Trends in the US and Singapore;
- Digital Progress in Operations and Cyber Security;
- Transforming Aviation through Industry 4.0 & Digital-Innovation in the Pandemic and Post-Pandemic Era;
- Market Needs in a Changing Landscape;
- Blockchain and Non-fungible Tokens;
- Media Words as Data - Demystifying Legaltech;
- Women, Business and the Law 2021;
- The Future of Financial Services;
- Conversations in Global Finance;
- "What's A Token (and Other Mysteries)?" – A Primer to Tokens and Fundraising;
- Trends in AI, Pharma, and Green Technology;
- Cybersecurity – A Board's Responsibility;
- ABCs of ESG – What organisations need to know about ESG;
- Responding to a Ransomware Attack: Legal Issues and Risks;
- Roadmap to Mandatory Climate-related Disclosures;
- Managing Corporations' Risk in Adopting Artificial Intelligence: A Corporate Responsibility Paradigm;
- Asia Pacific Board Leadership & Assurance Summit;
- Charles Rudd Distinguished Public Lectures 2021;
- Institute of Policy Studies Annual Flagship Conference;
- Mega Tech – Now and Beyond;
- Achieving Normalcy – Transiting Towards Endemic COVID-19; and
- Corporate Sustainability – Investor Expectations and Engagement.

Pursuant to Rule 720(7) of the Listing Manual, all of the Directors will undergo the required training on sustainability matters as prescribed by the SGX-ST pursuant to Rule 720(7) of the Listing Manual.

Meetings of the Board and Board Committees

The Board and Board committees meet regularly to discuss a wide range of matters concerning the Company, including strategy, funding matters, corporate projects, business updates, emerging trends, operational safety and efficiency, governance matters, sustainability issues, Transformation, innovation and technology, as well as to review and approve, amongst other things, the financial results of the Group. After consultation with the Chairman and all Directors on their availability, meeting dates of the Board and Board committees for each financial year are scheduled in advance and notified to the Directors before the start of the year to facilitate full attendance. Additional meetings are convened as and when circumstances warrant. From time to time, invitations to attend Committee meetings or working group meetings are issued by Chairmen of Board committees to Directors who are non-members to foster discussions on focused topics and to benefit from more diverse views.

Records of meetings, including key deliberations and decisions taken, are maintained by the Company Secretary or the Committee Secretaries and the minutes of meetings are circulated to Directors for review and/or approval. Participation by telephone and video conferencing and approval by circulation, which are permitted under the Constitution of the Company, also facilitate Board and Board committees' decision-making. During FY2021/22, most of the Board and Board committee meetings were held virtually on a secure video conferencing platform to adapt to and comply with the rules and regulations governing safe operations at the workplace.

Board meetings may include presentations by senior executives and external consultants/experts on strategic issues relating to specific business areas, as well as presentations by the Group's associates. This allows the Board to develop a good understanding of the Group's businesses and to promote active engagement with the Group's partners and key executives. Directors who are unable to attend a Board meeting are provided with the Board papers in advance and can raise/discuss issues relating to the matters to be discussed at the Board meeting with the Chairman, the CEO and/or Senior Management. Five Board meetings are scheduled in each year, and ad hoc Board meetings are convened as required. During FY2021/22, five Board meetings were convened and there were numerous ad hoc Board discussions. A significant amount of time was spent regularly reviewing the evolving COVID-19 situation's impact on the Group, and the measures to ensure continuity of operations and support to customers, the safety and well-being of employees, the maintenance of fair values of assets, the conservation of cash to maintain liquidity, the preservation of business, the acceleration of Transformation and Lean initiatives, digitalisation and automation, sustainability and climate-related strategy and the strategic investments for future growth to safeguard long-term business sustainability.

Each year, Directors also attend an annual strategy meeting to discuss and formulate the long-term strategy for the Group and to prioritise the Company's strategic initiatives over the near term. Strategy meetings are held in Singapore or at an overseas location to familiarise Directors with the Group's offshore operations. Proposals considered at the strategy meetings are further developed by Management and discussed at subsequent Board meetings when the Board reviews the progress of the strategy proposals to achieve their agreed goals and objectives. During FY2021/22, the Board participated in an annual strategy meeting, which was held off-site. Aerospace industry experts were invited for panel discussions with Directors on MRO industry trends and developments, and the impact on the Company. Sustainability experts were also invited to discuss sustainability-related trends, goals and strategy with Directors. The Board had dynamic and in-depth discussions with senior executives on the strategies to capture opportunities in the various business segments, mitigate risks in the changed MRO landscape and strengthen human capital, as well as the roadmap and programmes for Transformation, digitalisation and technology, Lean and sustainability.

The attendance of each Director at Board meetings, Board committee meetings and the Annual General Meeting ("AGM") held during FY2021/22 is as follows:

		Board		Audit Committee		Nominating Committee		Compensation & HR Committee		Board Safety & Risk Committee		Executive Committee[ii]		Technology Advisory Committee		AGM
Name	Status	Position	Att.[i]	Position	Att.[i]	Position	Att.[i]	Position	Att.[i]	Position	Att.[i]	Position	Att[i]	Position	Att[i]	Att[i]
Tang Kin Fei (last re-appointed on 17 Jul 2020, first appointed on 8 May 2017)	Non-Executive / Independent	Chairman	5/5					Chairman	4/4			Chairman	3/3			1/1
Goh Choon Phong (last re-appointed on 17 Jul 2020, first appointed on 1 Jan 2011)	Non-Executive / Non-Independent	Member	5/5					Member	4/4			Member	3/3			1/1
Ng Chin Hwee[ii] (last re-appointed on 23 Jul 2021, first appointed on 18 Jul 2008)	Executive / Non-Independent	Member	5/5									Member	3/3	Member	2/2	1/1
Manohar Khiatani (last re-appointed on 23 Jul 2021, first appointed on 1 Apr 2013, stepped down as Director and relinquished all committee appointments on 1 Apr 2022)	Non-Executive / Independent	Member	5/5	Member	4/4					Chairman	4/4					1/1
Chew Teck Soon (last re-appointed on 23 Jul 2021, first appointed on 1 May 2013, stepped down as Director and relinquished all committee appointments on 1 May 2022)	Non-Executive / Independent	Member	5/5	Chairman	4/4	Member	3/3					Member	3/3			1/1
Christina Ong (last re-appointed on 23 Jul 2021, first appointed on 1 Jan 2014)	Non-Executive / Independent	Member	5/5	Member	4/4	Chairman	3/3									1/1
Raj Thampuran (last re-appointed on 19 Jul 2019, first appointed on 1 Sep 2016)	Non-Executive / Independent	Member	5/5	Member	3/4					Member	4/4			Chairman	2/2	1/1
Wee Siew Kim (last re-appointed on 17 Jul 2020, first appointed on 8 May 2017)	Non-Executive / Independent	Member	5/5					Member	4/4	Member	4/4					1/1
Chin Yau Seng (last re-appointed on 19 Jul 2019, first appointed on 8 Oct 2018)	Non-Executive / Non-Independent	Member	5/5	Member	4/4					Member	4/4					1/1
Mak Swee Wah (last re-appointed on 17 Jul 2020, first appointed on 1 Apr 2020)	Non-Executive / Non-Independent	Member	5/5			Member	3/3			Member	4/4					1/1
Chua Bin Hwee (last re-appointed on 23 Jul 2021, first appointed on 1 Apr 2021)	Non-Executive / Independent	Member	5/5	Member	4/4											1/1
Lim Kong Puay (first appointed on 1 Aug 2021)	Non-Executive / Independent	Member	3/3							Member	2/2					1/1
Total Number of Meetings Held In FY2021/22			5		4		3		4		4		3		2	1

Notes:

[i] "Att" refers to the number of Board and Board committee meetings attended by the respective Directors for the period served in FY2021/22.

[ii] Mr Ng Chin Hwee is the CEO of the Company.

Adequate and Timely Provision of Information

Management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. The Company prepares its financial statements in accordance with the Singapore Financial Reporting Standards (International) and International Financial Reporting Standards. Management provides Board members with management accounts on a monthly basis, and from time to time as the Board may require, to enable the Board to make a balanced and accurate assessment of the Company's performance, financial position and prospects. Management also provides Board members with a monthly "Industry Update" on key developments in the aviation and aerospace industries.

Papers and related materials, which contain detailed explanatory information on the background, justification, risks and mitigation measures, and where applicable, budgets, business plans and financial information such as forecasts and projections relating to each agenda item brought before the Board and the Board committees, are generally provided to Directors at least seven days in advance of the meetings of the Board and the Board committees or deadlines for decisions to enable them to make well-considered decisions in a timely manner. Other documents, such as budgets and forecasts, are also regularly provided to Directors, and in respect of budgets, any material variance between the projections and actual results is explained and monitored. To keep the Board abreast of investors' perceptions and concerns, updates on analysts' consensus estimates and questions raised at analysts' briefings are provided at Board meetings. Where there are material or urgent issues under Board review, progress and/or developments are brought to the immediate attention of the Board as and when they arise. Directors may at any time ask for additional information as needed to make informed decisions.

In line with the Company's commitment to foster a sustainability mindset throughout the organisation and embed sustainability practices in its operations, the Company makes available to Directors electronic copies of Board and Board committee papers from a dedicated and secure portal. Terms of References, training materials, regular updates and the Directors' Manual are also uploaded on the secure platform for Directors' easy access. This initiative also enhances information security as the papers are accessed via an encrypted channel.

Access to Professional Advisors, Management and Company Secretary

The Board has a process for Directors, either individually or collectively, to seek independent external advice at the Company's expense in furtherance of their duties and to request for further information on any aspect of the Company's operations or business from Management.

Directors always have ready and independent access to Management. Directors also have separate and independent access to the Company Secretary. The Company Secretary, whose appointment and cessation of appointment are subject to approval of the Board as a whole, attends all Board meetings. The duties of the Company Secretary include:

(a) supervising, monitoring and advising on Board procedures and compliance by the Company with its Constitution (the "Constitution"), laws and regulations applicable in Singapore, the Listing Manual and the Code;

(b) ensuring timely flow of information to the Board and the Board committees and between Management and Directors, and keeping an open and regular line of communication between the Company, the Singapore Exchange, and the Accounting & Corporate Regulatory Authority;

(c) updating and informing the Board on the principles and best practices of corporate governance; and

(d) facilitating orientation for new Board appointees and identifying suitable training and development for Directors.

The Company has established written procedures to ensure compliance with legislative and regulatory requirements, including the Listing Manual.

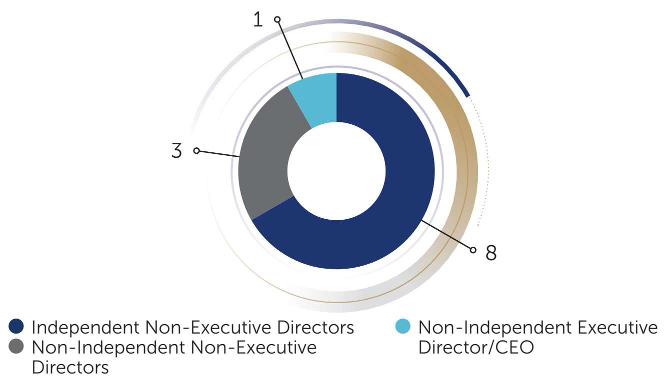
BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

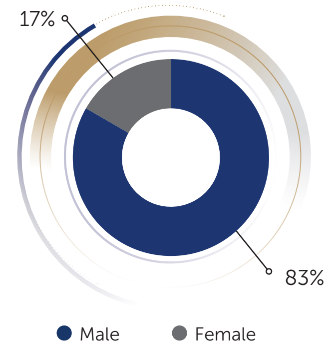
Independent Directors Make Up a Majority of the Board

Under the Code, an "independent" director is one who is independent in conduct, character and judgment and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interest of the Company. Independent directors are to make up at least one-third of the Board (or where the Chairman is not independent, at least a majority of the Board), and non-executive directors are to make up a majority of the Board.

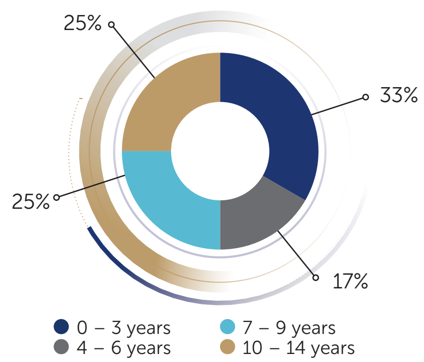
INDEPENDENCE



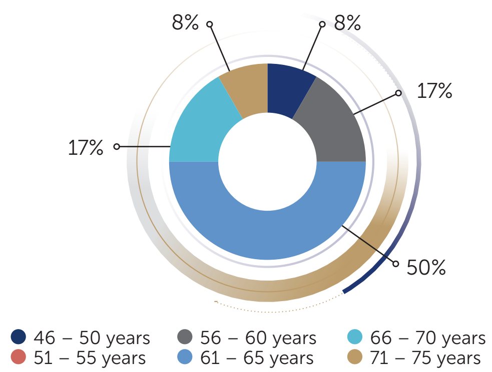
GENDER DIVERSITY



LENGTH OF SERVICE



AGE OF DIRECTORS



In FY2021/22, the Board consisted of 12 Directors of which 11 were Non-Executive Directors, and eight were Independent Directors. There are no alternate Directors on the Board. The Company has thus satisfied the requirements of the Code as the Independent Directors and the Non-Executive Directors, separately, make up a majority of the Board. The high representation of Independent Directors serves the Company well as no individual or select group of individuals dominates the Board's decision-making process.

Annually, the Directors complete a declaration and confirmation of independence regarding the relationships identified in the Listing Manual and the Code, which is assessed by the Nominating Committee. The Board has an appropriate level of independence which enables it to, at all times, make decisions using its collective expertise and experience in the best interests of the Company. A Director who has an interest in a matter under discussion will declare his/her interest and abstain from the decision-making process in relation to that matter.

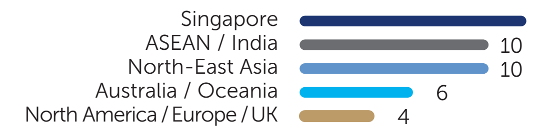
Appropriate Size of the Board and Board Committees

The Board, through the Nominating Committee, regularly evaluates the size and composition of the Board and Board committees, taking into consideration diversity of skill sets, expertise, core competencies and professional experience and the element of independence. The Board considers the present Board size, the number of Board committees and the size of each Board committee to be appropriate. The Board has the requisite balance and right mix of expertise, skills, knowledge, experience, attributes and other aspects of diversity such as gender and age to oversee the Company's growing businesses. Collectively, the Board has competencies in areas such as organisational transformation; strategy and investments; aviation and MRO operations; environmental, social and sustainability perspectives; human resource development, executive and talent succession planning and training; audit, finance and accounting; law, compliance and governance; engineering; innovation and advancing technologies; research and development; information technology, digitalisation and data analytics; supply chain management, business space solutions; sales and marketing; safety and operations; enterprise

CORPORATE GOVERNANCE

DIRECTORS' EXPERTISE AND EXPERIENCE

DIRECTORS' EXPERTISE AND EXPERIENCE BY GEOGRAPHY



risk management; and experience in key markets in both Singapore and jurisdictions outside Singapore.

Board Diversity Policy

To build an open culture and avoid groupthink, the Company is committed to having diversity on the Board, taking initiatives designed to attract the most talented individuals as Directors, regardless of their gender, race, ethnicity, religion, age, disability status or any other dimension of diversity. The Board views diversity as an important element to ensure that Board members provide the necessary range of perspectives, insights, experience and expertise for effective stewardship and management of the Company's business. In relation to gender diversity, it is of the view that gender, while important, is but one aspect of diversity and the Board will continue its diversity policy for Directors to be selected on the basis of their experience, skills, knowledge and insights.

The Board composition in FY2021/22 reflects the Company's commitment to Board diversity, especially in terms of diversity in expertise and experience (including geographical expertise and experience).

Directors' profiles appear on pages 7 to 14 of this Annual Report and are also available on the Company's website.

Continuous Review of Directors' Independence

The Nominating Committee and the Board, taking into account the views of the Nominating Committee, determine the independence of Directors upon appointment, annually, and on a continuing basis as and when circumstances require, according to the criteria stipulated in the Listing Manual and the Code.

During the financial year, each Director had provided information on his or her interests and confirmed that there were no relationships which interfere with the exercise of his or her independent judgement with a view to the best interests of the Company. The Nominating Committee reviews such information and considers whether the relevant Director has exercised independent judgement in discharging his or her duties and responsibilities. The Nominating Committee's recommendation is presented to the Board for its assessment. Each Director is required to recuse himself or herself from the Nominating Committee's and the Board's deliberations on his or her own independence.

The Board has examined the different relationships identified by the Listing Manual and the Code that might deem a Director to be non-independent, or impair a Director's independence and objectivity, and is satisfied that none of them apply in relation to the Independent Directors. Some of our Independent Directors are Directors or executive officers of organisations that provide services to and receive payments from the Company in the ordinary course of business, but these transactions were entered into based on merit and on normal commercial, competitive terms negotiated by Management, and the relevant Directors were not involved in the process for, or approval of, the transactions. The Board is of the view that all Independent Directors have demonstrated independence in conduct and character, and have exercised independent judgement in the best interests of the Company.

As at the end of FY2021/22, none of the Independent Directors has served for an aggregate period of more than nine years.

The Chairman meets the Independent Directors twice yearly in the absence of Management, the CEO and the Non-Independent Directors. The Chairman provides feedback from these meetings to the Board, as appropriate.

Mr Goh Choon Phong, Mr Mak Swee Wah and Mr Chin Yau Seng are considered Non-Independent Directors by virtue of the offices they hold in the Board or Management of Singapore Airlines Limited, the parent company of the Company. As the Chief Executive Officer of the Company, Mr Ng Chin Hwee is considered non-independent.

CHAIRMAN AND CEO

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Role of the Chairman and the CEO

The Chairman of the Board is a Non-Executive and Independent Director and his position is separate from the office of the CEO. No single individual has unfettered powers of decision-making in the Company. There is a clear demarcation of the roles and responsibilities of the Chairman and the CEO, which is set out in writing, to ensure an appropriate level of checks and balances, increased accountability, and greater capacity of the Board for independent decision making. The Chairman leads the Board and is responsible for ensuring the effectiveness of the Board and its governance processes, while the CEO is responsible for implementing the Group's strategies and policies, and managing day-to-day operations.

The Chairman promotes a culture of openness and encourages full and frank debates amongst the Directors and between Directors and Management. At Board Meetings, he draws out contributions from all Directors so that the debate benefits from the full diversity of views, perspectives and expertise in a robust yet collegiate setting. There is strong mutual trust and respect amongst the Directors. As the Board practises collective decision-making, no individual Director influences or dominates the decision-making process.

The Chairman sets the agenda and dedicates sufficient time for discussions, especially on material developments and strategic matters. The Chairman also ensures that Management provides complete, adequate and timely information to Directors, and that there is effective communication with shareholders. At AGMs and other shareholder meetings, the Chairman plays a pivotal role in fostering effective dialogue among shareholders, the Board and Management of the Company.

The CEO, who is also an Executive Director, manages the Group's business. He chairs the Management Committee that deliberates on policy and operational issues, and implements Board decisions, amongst other things.

The Chairman and the CEO are Separate Persons

The Chairman and the CEO are separate persons and are not related to each other. A majority of the members of the Board and the Board committees, including the Chairman of each of the Board committees, are independent Directors. Given that the roles of the Chairman and the CEO are separate and the Chairman is independent, the Board is of the view that it is not necessary to appoint a Lead Independent Director.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

Nominating Committee

The Nominating Committee comprises three Non-Executive Directors, the majority of whom, including the Chairman, are independent. The members of the Nominating Committee are:

Chairman:	Mrs Christina Ong
Members:	Mr Mak Swee Wah
	Mr Chew Teck Soon (until 30 April 2022)
	Mr Tang Kin Fei (from 1 May 2022)

Mr Chew Teck Soon stepped down as a member of Nominating Committee on 1 May 2022. Mr Tang Kin Fei was appointed as a member on the same date.

The Nominating Committee, in accordance with the Terms of Reference approved by the Board, is responsible for, inter alia, the following:

- the review of the structure, size, composition and diversity of the Board and the Board committees;
- the review of succession plans for the Chairman and Non-Executive Directors;
- the development of a transparent process for evaluating the performance of the Board, its Board committees and Directors, including assessing whether Directors who hold other listed company directorships and principal commitments are able to commit enough time to discharge their responsibilities;
- the review of training and professional development programmes for the Board and its Directors;
- the appointment and re-appointment of all Directors (including alternate Directors, if any) following consideration of their track record and assessment of any matters that may have a bearing on their suitability for appointment or re-appointment; and
- the review and confirmation of the independence of each Director.

Annual Assessment of Independence

The Nominating Committee reviews Board composition and makes recommendations for the appointment of new Directors. It is focused on maintaining a strong independent element in the composition of the Board and the Board committees. Annually, the Nominating Committee reviews each Director's independence, taking into consideration the relevant provisions of the Code and requirements of the Listing Manual.

Selection, Appointment and Re-appointment of Directors

In discharging its duties in its review of the structure, size and composition of the Board and the Board committees, the Nominating Committee gives due regard to the benefits of all aspects of diversity. In support of gender diversity and in accordance with its Terms of Reference, the Nominating Committee will ensure that appropriate efforts are made to include suitably qualified women in the list of candidates for a Board position. The Nominating Committee has developed a Skills Matrix, which denotes the experience, skillsets and expertise of Directors in relation to the Company's business activities and strategic goals. The Skills Matrix, which serves as a guide to identify the competencies and attributes for new Board appointments, is regularly updated and reviewed by the Nominating Committee.

Pursuant to Provision 4.1(a) of the Code, one of the responsibilities of the Nominating Committee is to make recommendations to the Board on the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and Key Management Personnel. The Board had delegated to the Nominating Committee matters of composition and progressive renewal of the Board and Board committees. The Board had also considered and deemed it appropriate to delegate matters of succession planning for the CEO and Key Management Personnel (being Company personnel who hold the rank of "Senior Vice President" (or "SVP") and above, and together with the CEO, the "Key Executives") of the Company to the Compensation & HR Committee, which is consistent with the intent of Principle 4 of the Code in relation to the progressive renewal of the Board as regards the CEO who is also a Director. Recommendations made by the Nominating Committee and the Compensation & HR Committee on these matters are presented to the Board for consideration and approval.

The Board seeks to refresh its membership progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. This enables the Board to benefit from the experiences of longer-serving Directors, and at the same time, leverage external perspectives and expertise from new appointees. New appointees to the Board are carefully selected based on their merits to augment core competencies and experience of the Board relevant to the evolving needs of the Group's businesses to ensure overall effectiveness and informed decision-making. If required, the Nominating Committee may seek assistance from external search providers for the selection of potential appointees. Directors and Management may also recommend potential appointees for consideration. In identifying and selecting candidates for directorships, the Nominating Committee also takes into account the Company's strategic priorities and the factors and trends affecting the long-term success of the Company. In the evaluation of potential appointees to the Board, members of the Nominating Committee, together with the Chairman of the Board, meet with candidates to assess their eligibility. If the candidates meet the required criteria, the Nominating Committee will recommend their selection to the Board for approval. During FY2021/22, the Nominating Committee considered Board succession issues and recommendations from external search consultants who undertook director search services.

In July 2021, the Nominating Committee recommended the appointment of Mr Lim Kong Puay as Director with effect from 1 August 2021. Mr Lim was the Chief Executive Officer of Tuas Power Generation Pte Ltd for 14 years until his retirement in 2018. Mr Lim's extensive experience in the electricity industry in Singapore and in the operations, maintenance and management of large-scale steam turbine generators and combined cycle plant would augment the core competencies of the Board and the Company's culture of safety, risk management and operational excellence. After a review of Mr Lim's qualifications and experience, his appointment was approved by the Board. Mr Lim is considered an Independent and Non-Executive Director.

From time to time and at least once a year, the Nominating Committee evaluates the need to appoint a Lead Independent Director. The Nominating Committee also reviews compliance with the Code requirements under its purview, and deviations are explained.

Qualitative Assessment of Directors' Contributions

The Company has in place a policy whereby Directors consult the Chairman of the Board and the Nominating Committee Chairman prior to accepting other board directorships. Directors must also immediately report changes in their external appointments, including any corporate developments relating to their external appointments, which may affect their independence. Every Director confirms annually to the Nominating Committee in writing his/her availability and time commitment to focus on the affairs of the Company in the discharge of his/her duties as a Director.

Having reviewed the contributions of each Director and his/her attention to the affairs of the Company, taking into account his/her executive appointments, listed company board representations, other principal commitments, and the record of each Director's attendance at Board and Board committee meetings for FY2021/22, the Nominating Committee and the Board were of the view that each Director had carried out his/her duties adequately. The Board also expects that the Directors (including any Directors who are newly appointed) will discharge their duties adequately in FY2022/23.

Accordingly, the Board has determined that there is no necessity, for the time being, to set a maximum limit on a Director's other listed board representations. The Company will continue to disclose each Director's listed company board directorships and principal commitments in the Company's Annual Report.

Rotation, Retirement and Re-election

The Constitution provides in Article 90 that at each AGM of the Company, one third of Directors (or, if their number is not a multiple of three, then the number nearest to one-third rounded upwards to the next whole number) for the time being shall retire at each AGM. Retiring Directors are those who have served longest since their last election and they are eligible to offer themselves for re-election under Article 91 of the Constitution, subject to the endorsement of the Nominating Committee (which takes into consideration the overall Board size and composition, and an assessment of the retiring Directors' competence, commitment and contributions) and approval of the Board. Each member of the Nominating Committee or Director is required to recuse himself or herself from deliberations on his or her own re-election. Directors appointed by the Board during the financial year, to fill a casual vacancy or appointed as an additional Director, may only hold office until the next AGM and shall then be eligible for re-election in accordance with Article 96 of the Constitution.

At the 40th AGM to be held on 21 July 2022, Dr Raj Thampuran, Mr Chin Yau Seng and Mr Goh Choong Phong will retire under Article 90 of the Constitution. Mr Lim Kong Puay will retire under Article 96 of the Constitution. The profiles of Dr Raj, Mr Chin, Mr Goh and Mr Lim are set out on pages 7 to 14 of this Annual Report. Additional information on these Directors are set out in the Notice of AGM and in the "Additional Information on Directors Seeking Re-election at the Annual General Meeting" section on pages 216 to 221 of this Annual Report.

Having assessed their respective contributions, including their experience, expertise, competence, attendance, preparedness, participation and candour at Board and Board committee meetings, the Nominating Committee and the Board recommend the re-election of Dr Raj, Mr Chin, Mr Goh and Mr Lim, all of whom, being eligible, have offered themselves for re-election.

Nominating Committee's Activities During the Financial Year

During FY2021/22, the Nominating Committee held three meetings, and also undertook, inter alia, the following matters through circulation papers and numerous discussions via email and teleconference:

(a) reviewed the composition and diversity of the Board and Board committees, Board size and the Skills Matrix, which was updated to reflect the skills and expertise of new appointees;

(b) recommended the establishment of the Board Sustainability Committee and the proposed Terms of Reference to assist the Board on sustainability matters to accelerate, lead and guide the Group's sustainability efforts and to weave environmental, social and governance issues into the Group's business strategies;

(c) reviewed proposed enhancements to the Company's governance practices, Directors' manual and revisions to related documents;

(d) reviewed the succession plans for the Directors with the Company's strategic priorities and the factors affecting the long-term success of the Company in mind;

(e) recommended the appointment of Mr Lim Kong Puay as a Non-Executive and Independent Director and member of the Board Safety & Risk Committee, with effect from 1 August 2021;

(f) recommended to the Board: (i) the appointment of Mr Lim Kong Puay as Chairman of the Board Safety & Risk Committee, with effect from 1 April 2022; (ii) the election by the Audit Committee of Ms Chua Bin Hwee as Chairman of the Audit Committee, with effect from 1 May 2022; and (iii) the appointments of Mr Tang Kin Fei as a member of the Nominating Committee, Mr Lim Kong Puay as a member of the Audit Committee and Ms Chua Bin Hwee as a member of the Executive Committee, all with effect from 1 May 2022;

(g) determined the independence of each Director based on his/her declaration of independence pursuant to the provisions of the Code and Rule 210(5) of the Listing Manual;

(h) considered and agreed that, given the prevailing circumstances (as explained on page 38 of this Annual Report), the appointment of a Lead Independent Director was not necessary for the time being;

(i) considered and recommended Directors to retire and seek re-election at the AGM;

(j) considered ongoing training of Directors, and recommended suitable training programmes;

(k) assessed if a Director was able to and had carried out his/her duties as Director of the Company considering his/her other board appointments and time commitments;

(l) recommended the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, of each Board committee, and of the contributions by the Chairman and each individual Director;

(m) reviewed the results of and insights from the assessment of the Board's performance and discussed the appropriate actions to address the external consultants' recommendations; and

(n) reviewed the compliance of the Nominating Committee with the relevant requirements of the Code.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Board Performance and Evaluation

The Board has a formal process (incorporating objective performance criteria), which is overseen by the Nominating Committee and approved by the Board, for assessing the effectiveness of the Board as a whole and the Board committees, as well as the contributions of the Chairman and individual Directors. The process, comprising an assessment of both qualitative and quantitative criteria, enables the Nominating Committee and the Board to enhance the effectiveness of the Board and its Board committees. For objectivity, the process is managed by Korn Ferry (SG) Pte Ltd, an external global organisational consulting firm, which has no connection with the Company or any of its Directors.

The qualitative assessment is designed to measure, with the use of a questionnaire and interviews, the overall performance of the Board and the Board committees. The questionnaire is tailored for the Company and includes evaluation factors such as strategic alignment, Board focus and priorities, Board composition and structure, Board and Management succession planning, Board culture and dynamics, Board partnership with Management, Board and Board committee processes and practices, Board leadership, Board agility and value-add in the areas of COVID-19 management, strategy, market disruption, risk management, Transformation, digitalisation, innovation and technology, Group partnership management, sustainability and environmental, social and governance considerations. The questionnaire also incorporates a peer assessment of individual performance, including topics such as each Director's engagement in decision-making, collaboration with fellow Board members and with Management, and his/her contributions to the Board and relevant Board committees. One-to-one interviews for deeper insights on specific focus areas are also conducted by the external consultants with the Chairman, individual Directors and members of management. The quantitative assessment measures the Board's performance against key financial indicators. The Nominating Committee, in consultation with the Chairman, takes appropriate actions to address the external consultants' findings, which include benchmarking information and best practices of other boards, and recommendations on areas for improvement.

This is the Company's 20th year of evaluating Board performance. The Company Secretary assisted the Nominating Committee in the evaluation process. For FY2021/22, the external consultants concluded that the Board continues to have a culture of passion, commitment and strong work ethic to support Management and the business; and that the Chairman has successfully maintained the strengths of the Board's culture of trust, collegiality, mutual respect and collaboration. Overall, the Board had generally exceeded its performance objectives; maintained high-quality and effectiveness in its governance role; and progressed on a positive trajectory and with agility in anticipating and shaping the Company's future.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his/her own remuneration.

Compensation & HR Committee

The Compensation & HR Committee comprises three Non-Executive Directors, the majority of whom, including the Chairman, are independent. The members of the Compensation & HR Committee are:

Chairman: Mr Tang Kin Fei
Members: Mr Goh Choon Phong
Mr Wee Siew Kim

The Compensation & HR Committee, in accordance with the Terms of Reference approved by the Board, is responsible for, inter alia, the following:

- reviewing and making recommendations to the Board on the remuneration framework and policies for the Directors of the Company, the CEO, Key Management Personnel and Senior Officers who hold the rank of Vice President;
- reviewing and making recommendations to the Board on the specific remuneration packages for each Director, the CEO and Key Management Personnel. No Director is, however, involved in deciding his/her own remuneration;

- the talent management and remuneration framework for the Company, including staff development and succession planning;
- the administration of the Company's Economic Value Added-Based Incentive Plan;
- the administration of the Company's share schemes;
- the administration of the Company's Share Buy Back programme;
- guidance on the maintenance of harmonious industrial relations with the Company's unions, and review of major agreements with the unions;
- reviewing the risks associated with the Company's human resource administration and management; and
- the engagement of consultants and/or advisors with respect to remuneration matters.

The Compensation & HR Committee is also responsible for reviewing the eligibility, guidelines, allotment, awards and payouts under the Company's Restricted Share Plan ("RSP"), Performance Share Plan ("PSP"), Strategic Transformational Incentive Plan ("STIP"), Economic Value Added ("EVA")-Based Incentive Plan ("EBIP") and Value Creation Recovery Plan ("VCRP").

The Compensation & HR Committee retains and may exercise discretion when determining the link amongst remuneration, performance and value creation.

Engagement of Remuneration Consultant

Where appropriate, the Compensation & HR Committee may seek external advice on market practices and benchmark data and recommendations on Key Executives' remuneration, including cash incentives and share-based compensation. For FY2021/22, Carrots Consulting Pte Ltd was engaged to provide such services, the principal adviser being Mr Johan Grundlingh. Carrots Consulting Pte Ltd only provides remuneration consulting services to the Company, and has no other relationship with the Company which could affect its independence and objectivity.

Compensation & HR Committee's Activities During the Financial Year

During FY2021/22, the Compensation & HR Committee held four meetings, and also undertook, inter alia, the following matters:

(a) conducted a review of the FY2020/21 RSP performance to-date;

(b) conducted a review of the FY2018/19, FY2019/20 and FY2020/21 PSP performance to-date;

(c) determined the allotment for the 16th RSP and PSP grants for FY2021/22;

(d) reviewed the payouts under the EBIP and STIP for FY2020/21;

(e) reviewed and recommended the total compensation framework for Key Executives for the Board's approval;

(f) conducted the annual performance and compensation review for Key Executives;

(g) reviewed the fees payable to Non-Executive Directors for FY2021/22;

(h) reviewed the Compensation & HR Committee's Terms of Reference;

(i) reviewed and endorsed the 2022 Succession Development Plan for the Company;

(j) reviewed the pay-for-performance relationship of the Company's executive compensation structure;

(k) reviewed the HR Strategy for 2022;

(l) reviewed the Compensation & HR Committee mandate for Share Buy Back;

(m) reviewed the Company's compliance with guidelines under the Code on Remuneration Matters;

(n) reviewed all aspects of remuneration, including the Company's obligations in the event of termination of any Executive Director's or Key Executive's contracts of service to ensure fair and reasonable terms are accorded; and

(o) reviewed all HR risk management activities and the measures that are put in place to mitigate the human resources and industrial relations risks.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Key Executives' Remuneration Philosophy and Principles

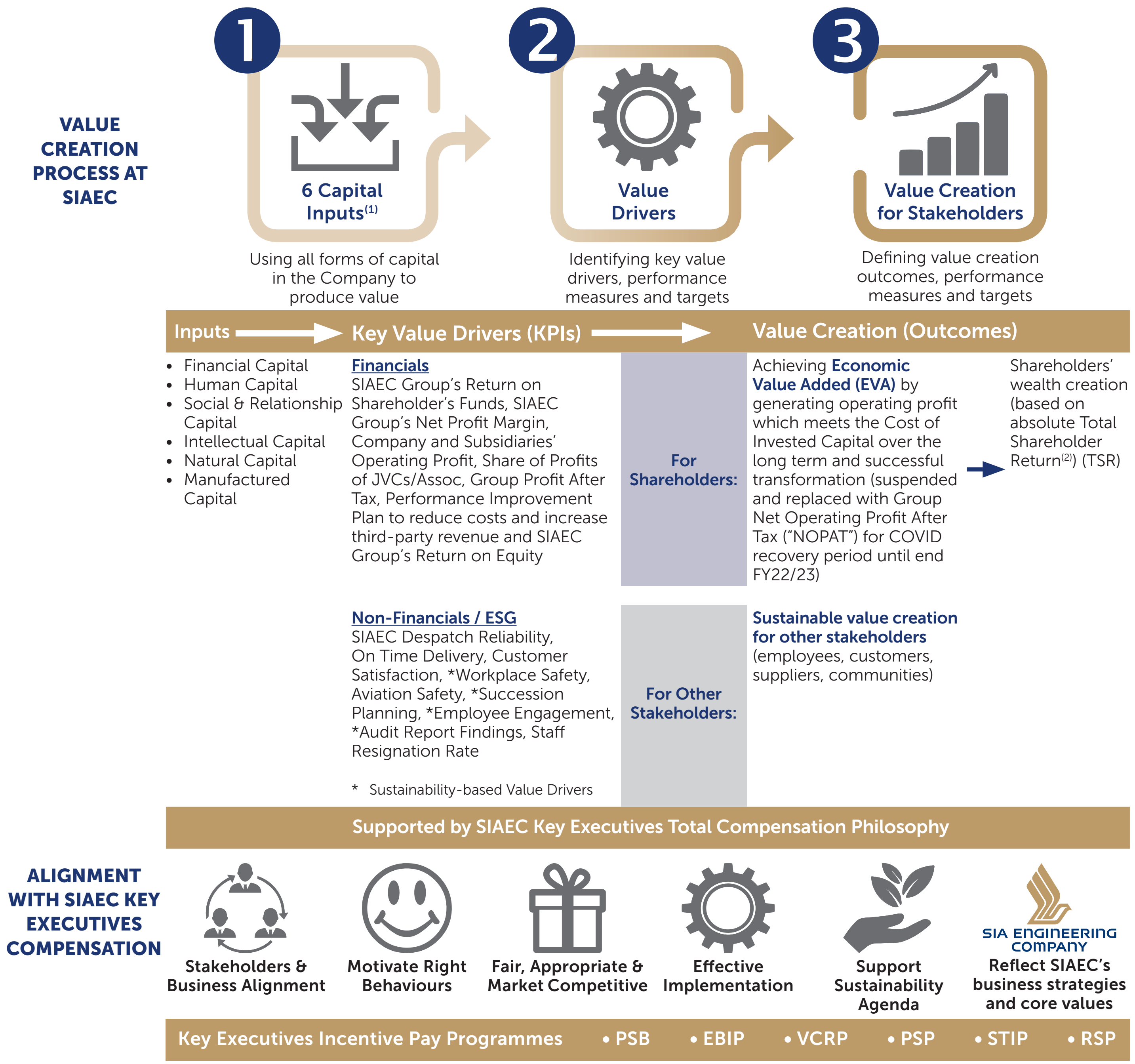
For the financial year under review, the Company's Remuneration Policies for Key Executives are based on the following principles:

Philosophy	Principles
Shareholder & Business Alignment	• Build sustainable value creation and unlock wealth creation to align with shareholder interests • Enhance retention of Key Executives • 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	• 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 right level of risk-taking and executive behaviour in age of disruptive technology and business transformation
Fair & Appropriate	• 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 Compensation & HR Committee and Board discretion to reward reasonably (both up and down) in the event of unintended outcomes
Effective Implementation	• 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 programmes
Support Sustainability Agenda	• Align performance-related remuneration with the interests of shareholders and other stakeholders • Promote the long-term success of the Company • Disclose relationships between 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 determined by the Compensation & HR Committee, the Company may, in its absolute discretion, reclaim unvested incentive components of remuneration from Key Executives. There was no such event during FY2021/22.

Relationships between Remuneration, Performance and Value Creation for Shareholders and other Stakeholders

The relationship between remuneration, performance and value creation is shown below:



By selecting performance targets based on a balance of drivers and outcomes, the Board ensures that SIAEC's Key Executives are paid not only for value already created (i.e., outcomes) but also for performance in generating and/or creating future value (i.e., drivers).

Notes:
(1) As per the International Integrated Reporting Framework
(2) Includes share price changes and dividend yields

Non-Executive Directors' Fee Framework for FY2021/22

The fee for Non-Executive Directors reflects the scope and extent of a Non-Executive Director's responsibilities and obligations, and is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities. The Non-Executive Directors' fee framework is measured against relevant benchmarks and aims to be market competitive. The Board believes that it is important to remunerate Directors equitably to attract and retain individuals with the necessary talents and capabilities for the effective management of the Group.

Whilst the Compensation & HR Committee reviews the fees payable to Non-Executive Directors to be recommended for shareholders' approval at the AGM, no member of the Compensation & HR Committee may by himself or herself decide on his/her own remuneration.

Shareholders' approval is sought at the AGM for the fees for Non-Executive Directors for the current financial year on a pool basis. This pool is subsequently used to pay the Non-Executive Directors' fees based on actual service on a quarterly basis in arrears.

Other than the fee framework for the Technology Advisory Committee and the Board Sustainability Committee (which was established in FY2022/23), the overall framework for determining the Non-Executive Directors' fees (including the fees payable to the Chairman), as set out below, was last revised in the financial year ended 31 March 2018 (FY2017/18). The CEO is an Executive Director, and is therefore remunerated as a Key Executive and in accordance with the terms of his contract. He does not receive Directors' fees.

Information on the rates and the actual fees paid in FY2021/22 are shown in the table below:

Type of Appointment	Schedule of Non-Executive Directors' Fees(i) ($)
Board of Directors	
Member's Fee	70,000
Chairman Fee (in addition to Member's Fee)	95,000
Audit Committee	
Chairman Fee	45,000
Member's Fee(ii)	27,000
Board Safety & Risk Committee	
Chairman Fee	37,000
Member's Fee(ii)	21,000
Compensation & HR Committee and Nominating Committee	
Chairman Fee	30,000
Member's Fee(ii)	17,000
Executive Committee	
Chairman Fee	30,000
Member's Fee(ii)	17,000
Technology Advisory Committee and Board Sustainability Committee(iii)	
Chairman Fee	20,000
Member's Fee(ii)	10,000
Board Meeting Attendance Fee	
For each Board Meeting held locally	1,000
For each Board Meeting held overseas	3,000

Notes:
(i) If a Director occupies a position for part of a financial year, the fee due to him or her shall be pro-rated accordingly.
(ii) Chairmen of Board committees do not receive these fees.
(iii) The Board Sustainability Committee was established in FY2022/23 on 19 April 2022.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Disclosure on Directors' Remuneration

The following table shows the breakdown of the remuneration of the Directors (including the CEO) for FY2021/22 after the Non-Executive Directors waived 25% of their fees in solidarity with stakeholders and in line with the Company's measures to mitigate the impact of COVID-19:

	Fee ($)	Salary ($)	Bonuses[iv] ($)	Benefits ($)	Shares[v] ($)	Total ($)
Non-Executive Directors						
Tang Kin Fei	172,502	–	–	–	–	172,502
Goh Choon Phong[i]	81,750	–	–	–	–	81,750
Manohar Khiatani	104,250	–	–	–	–	104,250
Chew Teck Soon	115,502	–	–	–	–	115,502
Christina Ong	99,002	–	–	–	–	99,002
Raj Thampuran[ii]	107,250	–	–	–	–	107,250
Wee Siew Kim	84,750	–	–	–	–	84,750
Mak Swee Wah[i]	84,750	–	–	–	–	84,750
Chin Yau Seng[i]	92,250	–	–	–	–	92,250
Chua Bin Hwee	76,502	–	–	–	–	76,502
Lim Kong Puay	47,689	–	–	–	–	47,689
Executive Directors						
Ng Chin Hwee[iii]	–	615,361	101,235	107,311	858,000	1,681,908

Notes:

[i] Non-Executive Directors' fees in respect of Mr Goh Choon Phong, Mr Mak Swee Wah and Mr Chin Yau Seng were paid to and retained by Singapore Airlines Limited.

[ii] Non-Executive Directors' fees due to Dr Raj Thampuran were paid to and retained by Surbana Jurong Private Limited.

[iii] As CEO, Mr Ng Chin Hwee did not receive any Non-Executive Directors' fees.

[iv] Comprises VCRP declared for the financial year.

[v] Comprises shares awarded under the RSP, PSP and DSA during FY2021/22; the value of awards is based on the fair value of the shares awarded under the RSP ($2.02), PSP ($2.22) and DSA ($1.93). Shares awarded under the RSP and PSP are subject to performance targets and other terms and conditions being met under the respective share plans. DSA awarded during FY2021/22 is part of the FY2020/21 STIP.

Apart from the foregoing, no other remuneration is paid to the Non-Executive Directors of the Company, nor do they receive any share options or share awards which are granted only to the employees of the Group.

REMUNERATION REPORT

Key Executives' Remuneration Structure

The Company's Key Executives' remuneration structure is designed to include short-term and long-term incentives, which motivates and rewards Key Executives, and allows the Company to align executive compensation with market practice. The remuneration structure includes the cash-based variable components of Profit-Sharing Bonus ("PSB"), STIP, VCRP and an EBIP, and share-based awards under the RSP and the PSP, in addition to a fixed basic salary and fixed allowances. The payment of the PSB, STIP, VCRP and EBIP and grants of share awards are dependent on the achievement of the prescribed Group and Company performance measures and individual performance measures.

Remuneration Mix

The Company's remuneration mix for Key Executives 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

The fixed component comprises base salary, the Annual Wage Supplement ("AWS") and cash allowances. The fixed components are benchmarked to comparable positions in the market.

In line with the Company's measures to mitigate the impact of COVID-19, salary cuts were implemented for the Key Executives. Salary cuts of 12% for CEO and 10% for Executive Vice President Operations ("EVP(O)") were implemented with effect from 15 March 2020, and subsequently adjusted to 25% and 20% respectively from 1 April 2020, and to 30% and 25% respectively from 1 August 2020. Salary cuts of 8% for SVPs were implemented with effect from 1 April 2020, and subsequently adjusted to 15% with effect from 1 May 2020, and to 20% from 1 August 2020.

In September 2021, there was a 10%-point reduction in the salary cuts for the CEO, EVP(O) and SVPs while the salary cuts of all other staff were removed completely. Following from these changes, the pay cuts for CEO, EVP(O) and SVPs are at 20%, 15% and 10% respectively.

Variable Components

1) Profit-Sharing Bonus ("PSB")

Payment of an annual PSB in respect of each Key Executive is based on the achievement of financial and operating objectives of the Group and the Company and taking into account individual performance.

The PSB is based on Group and Company performance and is capped at three times of the monthly base salary for each Key Executive. After the assessment of the Individual Performance Scorecards, an Individual Performance Rating is determined and is subsequently used to modify the PSB payout within the range of 0% – 150%. Given the impact of COVID-19 on the Group and Company's performance, there was no PSB for FY2021/22.

2) Economic Value Added-Based Incentive Plan ("EBIP")

One of the incentive plans included in the remuneration of Key Executives of the Company is the EBIP, which forms a main portion of the annual performance-related bonus for these executives.

The EBIP rewards sustainable shareholder value creation achieved over the medium term by growing profits, deploying capital efficiently and managing the risk profile and risk time-horizon of the business.

Under the EBIP, one-third of the accumulated EBIP bonus, comprising the EBIP bonus declared for the financial year, and the balance of the EBIP bonus brought forward from preceding years, is paid out in cash each year. The remaining two-thirds are carried forward in each individual executive's EBIP account for payment in future years. Amounts in the EBIP account are at risk because a significant reduction in EVA in any year will result in retraction of the EBIP bonus earned in preceding years. The EBIP encourages Key Executives to work for sustained EVA generation, and to take actions that are aligned with the long-term interests of shareholders.

The rules of the EBIP are subject to review and amendment by the Compensation & HR Committee, which has the discretion, under authority of the Board, to amend the rules where appropriate and relevant to the business environment in which the Company operates.

The Board had previously approved the recommendation by the Compensation & HR Committee to suspend new EBIP funding for FY2020/21 to FY2022/23 due to the impact of COVID-19, subject to certain minimum payouts as determined at the discretion of the Compensation & HR Committee. The remaining balance in each Key Executive's EBIP account at the end of FY2022/23 will be nullified.

3) **Value Creation Recovery Plan ("VCRP")**

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

4) **Strategic Transformational Incentive Plan ("STIP")**

The STIP is an incentive scheme established with the objective of rewarding, motivating, and retaining Key Executives who shoulder the responsibility for divisional-focused strategic and transformational (and ESG) initiatives and future-oriented growth.

Under the STIP, an individual target bonus is pre-determined for each level of the Key Executives. At the end of the financial year, the individual target bonus is modified by the incumbent's performance on the execution of the strategic initiatives as assessed by the Compensation & HR Committee. The resultant payout varies between 0% – 150% of the individual target bonus with settlement in cash and shares under the Deferred Share Award ("DSA"). The award of DSA as part of FY2021/22 STIP will be made in the following financial year and disclosed based on grant date. For EVP(O) and SVPs in respect of the FY2021/22 STIP, a reduced cash portion will be paid compared with previous years with a larger portion settled through the DSA. For the CEO, the FY2021/22 STIP will be fully settled in shares.

5) **Deferred Share Award ("DSA")**

As part of the FY2020/21 STIP, the DSA is a share award established with the objective of rewarding, motivating and retaining Key Executives who are responsible for strategic and transformational initiatives. The DSA is granted as a contingent share award under the RSP. The final award, which includes the accumulated dividend yield (based on the sum of SIAEC share dividend yields declared with ex-dividend dates occurring during the vesting period), will cliff vest at the end of three years after the grant date, subject to meeting a service-based condition, and provided that individual performance remains satisfactory.

An initial award of DSA was granted during the financial year under consideration in July 2021 as part of FY2020/21 STIP.

6) **Share Incentive Plans**

The SIAEC Restricted Share Plan 2014 ("RSP 2014") and the SIAEC Performance Share Plan 2014 ("PSP 2014") were approved by shareholders at the Extraordinary General Meeting of the Company held on 21 July 2014, and replaced the previous SIAEC Restricted Share Plan and SIAEC Performance Share Plan.

The details of the RSP and PSP are described below:

	RSP 2014	PSP 2014
Plan Description	Award of fully-paid ordinary shares of the Company, dependent on position level and individual performance targets set at the start of a one-year performance period based on medium-term Group and Company objectives with some degree of stretch.	Award of fully-paid ordinary shares of the Company, conditional on performance targets set at the start of a three-year performance period based on stretched long-term corporate objectives for the Key Executives
Performance Conditions	• Achievement based on Company Operating Performance Scorecard The above performance conditions are selected as they are the key operational drivers of shareholder value and are aligned to the Group and Company's business objectives.	• Absolute Total Shareholder Return ("TSR") outperform Cost of Equity ("COE") • Return on Equity ("ROE") • Successful Transformation from Financial/ Business Perspective (for FY2019/20 Award only) The above performance conditions are selected as key measurements of value-creation for shareholders.
Vesting Condition	Awards granted in and after FY2016/17 Based on meeting the stated performance conditions over a one-year performance period, 1/3 of the final award will vest provided performance conditions are met. Balance will vest equally over the subsequent two years with fulfilment of service requirements.	Cliff vesting based on meeting the stated performance conditions after the three-year performance period.
Payout	0% – 150% of the initial award, depending on the achievement of pre-set performance targets over the performance period.	0% – 200% of the initial award, depending on the achievement of pre-set performance targets over the performance period.

CORPORATE GOVERNANCE

The achievement factor for the RSP award granted in FY2021/22, which commences vesting in July 2022, reflects the extent to which the pre-determined target performance levels were exceeded for the one-year performance period of FY2021/22.

The achievement factor for the PSP award granted in FY2019/20, which fully vests in July 2022, reflects the extent to which the pre-determined target performance levels were partially met for the performance period from FY2019/20 to FY2021/22.

To align the interest of Key Executives and that of shareholders, Key Executives are required to retain a certain percentage of shares acquired through the share-based plans beyond the vesting period, up to the lower of: (1) a percentage of the total number of shares awarded under the RSP and PSP; or (2) the number of SIAEC shares to be retained in order to meet a minimum value, which is set at a percentage of annual base salary based on position level.

Details of the RSP and PSP (previous and current), and the awards granted thereunder, can be found on pages 95 and 197 to 199 of this Annual Report.

Pay for Performance Alignment

In performing the duties as required under its Terms of Reference, the Compensation & HR Committee ensures that remuneration paid to the Key Executives is clearly linked to the achievement of business and individual performance targets. The performance targets determined by the Compensation & HR Committee are set at realistic yet stretched levels each year to motivate a high degree of business performance, with emphasis on both short and long-term quantifiable objectives. Individual performance objectives aligned to the overall strategic, financial and operational goals of the Group and the Company are set at the beginning of each financial year and are cascaded down to Key Executives using Individual Performance Scorecards, creating alignment between the performance of the Group and the Company, and the individual. In line with the sustainability agenda as part of the enhanced Senior Management Total Remuneration Philosophy, sustainability objectives have been incorporated into the Individual Performance Scorecards of all Key Executives. While these performance objectives are different for each Key Executive, they are assessed on the same principles across the following five broad categories of targets, including ESG metrics aligned with the Company's sustainability strategy:

- Financial and Business
- Investment and Operations
- People and Organisational Development
- Safety and Quality
- Strategic, Transformational and Sustainability Initiatives

Due to the impact of COVID-19, the Company's annual Pay for Performance Alignment study which reviews the link between executive remuneration and the performance of the Group and the Company will be suspended from FY2021/22 onwards until the recovery of the aerospace industry.

Compensation Risk Assessment

The Compensation & HR Committee has reviewed the compensation structure to take into account the risk policies of the Company and the various compensation risks that may arise, and introduced mitigating policies to better manage risk exposures identified. The Committee will, from time to time, undertake periodic reviews of the compensation-related risks to align the performance of the Key Executives to the overall strategic objectives of the Company.

Disclosure of Key Executives' Remuneration

The remuneration of the Company's Key Executives (other than the CEO) for FY2021/22 is set out in the table below, in bands of $250,000.

Remuneration Bands & Key Executives	Salary (%)	Bonuses[(i)] (%)	Benefits (%)	Shares[(ii)] (%)	Total (%)
$500,001 – $750,000					
Ivan Neo Seok Kok Executive Vice President Operations	47	16	4	33	100
Foo Kean Shuh SVP Corporate Planning, Fleet Management & Commercial	50	16	2	32	100
Wong Yue Jeen SVP Partnership Management & Business Development	51	17	2	30	100
Chua Hock Hai SVP Human Resources	53	22	2	23	100
$250,001 – $500,000					
Philip Quek SVP Base Maintenance	49	18	3	30	100
Ng Lay Pheng SVP Finance/CFO	44	20	3	33	100
Ng Jan Lin Wilin SVP Line Maintenance & Cabin Services	45	21	3	31	100
David So Man Fung SVP Transformation & Technology	45	27	3	25	100
Stefan Schmuck[(iii)] SVP Engine Services	32	33	20	15	100

Notes:

(i) Comprises EBIP, STIP (cash component) and VCRP declared for the financial year.
(ii) Comprises shares awarded under the RSP, PSP and DSA during FY2021/22; the value of awards is based on the fair value of the shares awarded under the RSP ($2.02), PSP ($2.22) and DSA ($1.93). Shares awarded under the RSP and PSP are subject to performance targets and other terms and conditions being met under the respective share plans. DSA awarded during FY2021/22 is part of the FY2020/21 STIP.
(iii) SVP Engine Services Mr Stefan Schmuck joined the Company on 1 November 2021.

For FY2021/22, the aggregate total remuneration for the nine Key Executives listed above amounted to $4,419,849.
For FY2021/22, other than the in-service and post-retirement travel benefits for Key Executives (other than the CEO) and fixed term post-retirement travel benefit allowance of limited value for the immediate-past CEO, there were no termination, retirement and post-employment benefits granted to Non-Executive Directors, the CEO[1] and the Key Executives.

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 FY2021/22.

[1] The CEO does not receive any in-service or post-retirement travel benefits under the terms of his service agreement, other than the fixed term post-retirement travel benefit allowance of limited value.

Employee Learning and Development Programmes

The Board believes that the Company's excellent and skilled workforce is critical to its success. The Company has made substantial investments in training and development to ensure that its employees are equipped to excel in their jobs. We are committed to providing equal opportunities for all employees to help them achieve their full potential and accelerate their career development. During the year, we continued to upskill and reskill our workforce to better prepare them for the new digital economy and eventual recovery from the COVID-19 situation.

Our Training Academy is an approved Maintenance Training Organisation holding multiple approvals from civil aviation authorities all over the world. Through a robust curriculum of ab-initio and specialised aerospace courses as well as aircraft type related training provided by a pool of experienced instructors, the Training Academy fulfils the technical training needs of our employees, joint ventures, customers and strategic partners as well as industry professionals. More information on the foregoing is set out in the Company's Sustainability Report.

To ensure a continuous pipeline of skilled and qualified talents for the aerospace industry, we continue to extend our expertise to institutes of higher learning. One of our collaborations is a three-year programme with the Singapore Institute of Technology which leads to a Bachelor of Engineering (with Honours) in Aircraft Systems Engineering for the University's graduates. The course of study incorporates an intensive Integrated Work Study Programme at the Company over eight months. Qualified students are awarded with a Certificate of Recognition for Basic Courses that is recognised by the Civil Aviation Authority of Singapore in meeting the requirements for a SAR-66 Aircraft Maintenance Licence, after further training with an MRO organisation.

Our training programmes, developed by a pool of experienced instructors with input from subject matter experts in their respective fields, are delivered via a multi-faceted approach comprising classroom theory, hands-on practice in a controlled environment, and on-job-training under a competency-based training philosophy. We have invested in the latest training devices and courseware from Airbus and Boeing to enhance the quality of training for our licensed aircraft engineers and technicians, and to upskill them to service new-generation aircraft types.

In preparation for a post-COVID-19 operating landscape that is expected to be vastly different, the Company advanced new-generation aircraft type and digital competency training to upskill the workforce. As part of the second phase of the Company's Transformation programme, targets have been set for employees to attend applicable training programmes.

Aside from technical training, our employees also enjoy a wide range of learning and development programmes to strengthen core competencies and develop new competencies in the areas of leadership; digital, transformation and innovation; and Lean principles. Under Transformation (Phase 2), the adoption of Lean is a key initiative of the Company. The Company launched its Lean Academy on 7 September 2021. The Lean Academy plays a crucial role in accelerating enterprise-wide adoption of Lean methodologies by delivering tailored Lean training by qualified instructors to all segments of the Company's workforce.

More information on the foregoing is also set out in the Company's Sustainability Report.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

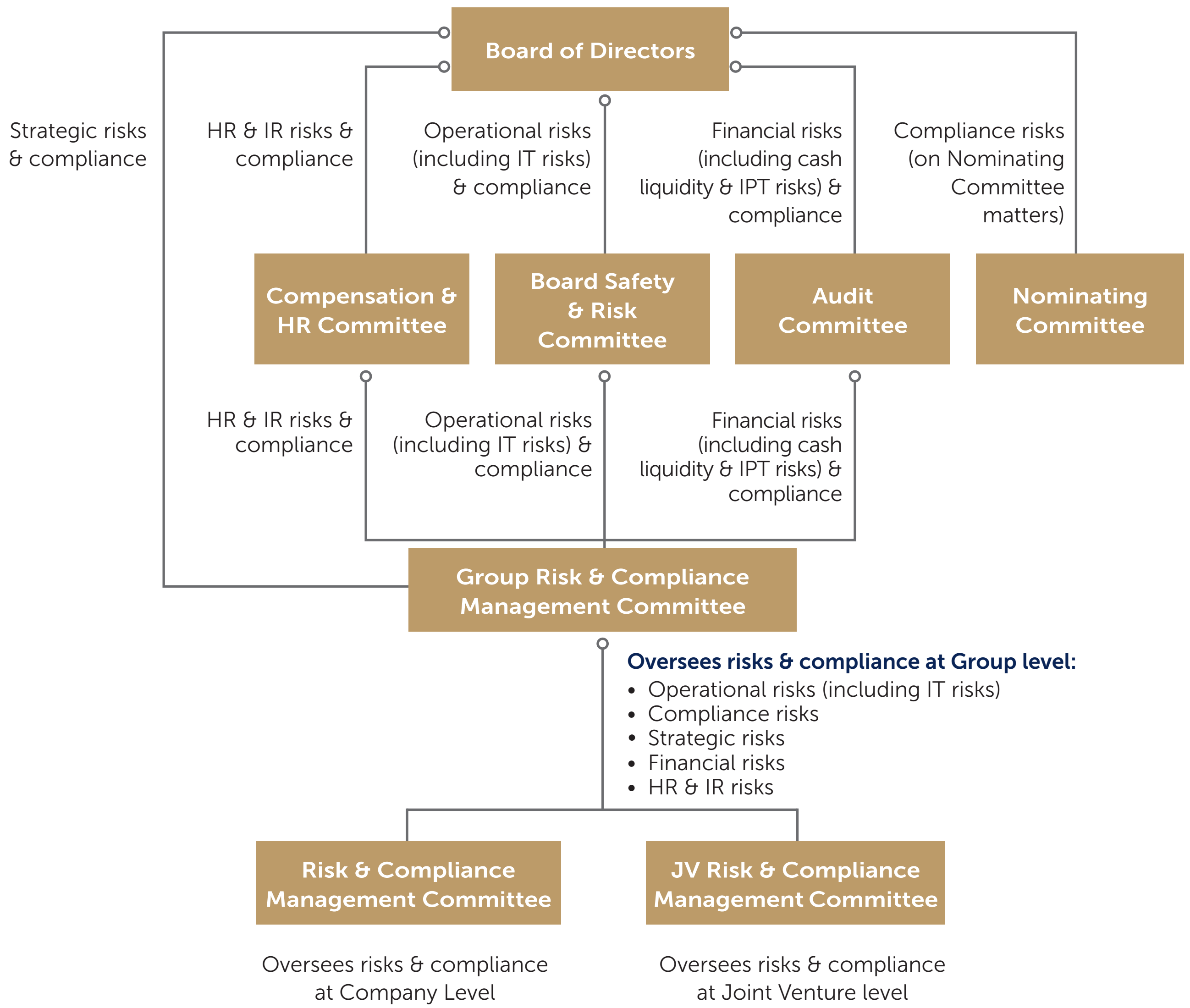
Board's Governance of Risk

The Board has overall responsibility for the governance of risk. The Board, supported by the Board Safety & Risk Committee and the other Board committees, maintains oversight of the key risks of the Group's business. Annually, the Board reviews the adequacy and effectiveness of the risk management and internal control systems, addressing financial, operational, compliance and information technology risks.

Management is responsible for the identification and management of risks, and key risks are proactively identified, addressed and reviewed on an ongoing basis. To ensure the continuing relevance and adequacy of identified risks and the effectiveness of preventive and mitigating measures, the Group's risk registers are reviewed every six months. During these half-yearly reviews, close attention is also paid to the identification of new and emerging risks.

Key risk issues are surfaced by Management to the Board and Board committees for discussion and decision. Upon the occurrence of significant risk events, the Board and/or appropriate Board committees are promptly informed and updated on developments, to facilitate their review of the effectiveness in managing such incidents and the adequacy of mitigating measures taken by Management.

Group Risk & Compliance Management Framework[2]



[2] Framework as at 31 March 2022. With the establishment of the Board Sustainability Committee in FY2022/23, the risk and compliance management framework will be updated to reflect risks under the direct purview of the Board Sustainability Committee.

CORPORATE GOVERNANCE

Strategic risks pertaining to the Group's business are overseen directly by the Board. During the year, the Board Safety & Risk Committee maintains oversight of operational risks, including cyber security and information technology risks, with the support of the Group Risk & Compliance Management Committee (chaired by the CEO). The Audit Committee has oversight of the financial risks (including cash liquidity and risks arising from Interested Person Transactions), while the Compensation & HR Committee oversees human resources and industrial relations risks. The Nominating Committee maintains oversight of compliance risks on matters relating to nominations to, and membership of, the Board and Board committees. The Board and the Board committees oversee compliance with the Code's requirements and relevant laws and regulations under their respective purview, and explain deviations as required by the Code, taking into account relevant obligations under the Listing Manual.

Management is responsible for the effective implementation of the risk management strategy, policies and processes to facilitate the achievement of the Group's business and strategic objectives, and is guided by the Board and the Board Safety & Risk Committee in formulating the risk management framework, policies and guidelines. The Board has also endorsed Risk Appetite Statements to provide guidance to Management on the approach to managing key risks. The Risk & Compliance Management Committee oversees the management of key risks at the Company level, while the Joint Ventures Risk & Compliance Management Committee oversees the management of the key risks of subsidiary, joint venture and associated companies. Both Committees report to the Group Risk & Compliance Management Committee, which has oversight of the risks faced by the Group.

Board Safety & Risk Committee

The Board Safety & Risk Committee comprises five Non-Executive Directors, the majority of whom, including the Chairman, are independent. The members of the Board Safety & Risk Committee are:

Chairman:	Mr Manohar Khiatani (until 31 March 2022)
	Mr Lim Kong Puay (from 1 April 2022)
Members:	Mr Wee Siew Kim
	Dr Raj Thampuran
	Mr Mak Swee Wah
	Mr Chin Yau Seng

Mr Manohar Khiatani stepped down as Chairman of the Board Safety & Risk Committee on 1 April 2022, with Mr Lim Kong Puay succeeding him as Chairman on the same date. Mr Lim had been a member of the Board Safety & Risk Committee since 1 August 2021 prior to his appointment as Chairman on 1 April 2022.

The Board Safety & Risk Committee assists the Board in overseeing the Group's risk management system, framework and policies and ensures that Management maintains a sound system of risk management to safeguard the interests of the Group and the Company's shareholders. The Board Safety & Risk Committee, in accordance with the Terms of Reference approved by the Board, is responsible for, inter alia, the following:

- reviewing the safety and risk management frameworks, including risk governance structure, policy, risk appetite statements and tolerance levels;
- reviewing the adequacy and effectiveness of the safety and risk management systems and the related disclosures in the annual report;
- overseeing the management of risks associated with the Group's operations, safety and information technology systems and ensuring key risks under its direct purview are managed within acceptable levels;
- overseeing compliance with relevant laws and regulations pertaining to the risks under its direct purview;
- reviewing the Group's risk profile on a regular basis to understand the significant risks faced by the Group and how they are mitigated, and advises the Board on the current and future risk exposures; and
- reviewing Management's responsiveness to the risk mitigating actions and reports on any material breaches of risk limits, and the adequacy of the actions.

Risk Management Assurance

Internal and external assurance of the risk management system is conducted regularly. Internal assurance is outsourced and audited by an independent team from the SIA Internal Audit Department, which reports directly to the Audit Committee to ensure the adequacy and effectiveness of risk controls, and compliance with the risk management framework and procedures by the divisions in the organisation. External consulting firms are also engaged periodically to conduct independent assessment of the Group's risk management system, framework and processes, and to benchmark them against best practices in the aerospace industry. In FY2021/22, the Company engaged a risk consultant, Marsh (Singapore) Pte Ltd, to conduct an independent review of SIAEC's risk management system.

Additionally, the Group has in place a formal programme of control self-assessments, whereby Management and line personnel are involved in the ongoing assessment and improvement of risk management and controls.

Annually, the CEO, the Chief Financial Officer ("CFO") and the Chairman of each Risk Committee provide the Board Safety & Risk Committee with a written assurance on the adequacy and effectiveness of the risk management system.

Risk Management Framework

The risk management framework sets out the policies, processes and procedures for identifying, evaluating and managing risks. The Company advocates a continuous and iterative risk management process, which was developed with reference to the principles and guidelines of the ISO 31000 risk management standards and the Code. The risks identified are wide-ranging, covering strategic, financial, operational, cyber security and information technology, compliance, and human resources and industrial relations risks.

More details of the key elements of the Risk Management Framework can be found on the Company's website[3].

Risk Appetite Statements

The following risk appetite statements outline the amount of risk the Group is willing to take in achieving its business objectives.

Strategic

- SIAEC pursues diversified growth in the aircraft MRO business to mitigate the risk of over-reliance on any single segment.
- In addition to the Singapore hub, SIAEC also grows its presence overseas to capture growth opportunities in those markets and diversify its revenue sources.
- To maintain competitiveness, SIAEC continually invests in infrastructure, equipment, technology, systems and training to develop capabilities, optimise operations and maintain a highly-skilled and productive workforce.
- SIAEC forms strategic partnerships with airlines, aerospace original equipment manufacturers and other relevant companies, to gain long-term access to key markets, technologies and capabilities.
- SIAEC will continue to strengthen its business portfolio by pursuing value-accretive opportunities in new markets and businesses, whilst maintaining a disciplined and robust investment approval process, and ensuring a prudent approach in managing the associated risks.

Regulatory

- SIAEC is fully committed to complying with applicable laws and regulatory requirements, and conducting business with integrity, transparency and honesty.

Safety, Health & Environment

- Safety is a top priority and of paramount importance to the continuing operations of SIAEC. There is no compromise on safety and this message is continuously reinforced in daily work and training.
- Conscientious efforts are made to embed continued safety vigilance and safety culture amongst all staff. This includes providing a safe work environment, encouraging active reporting of safety matters, continuous learning and improvement whilst maintaining the highest standard of quality and safety in aircraft maintenance.
- SIAEC is committed to operate in an environmentally responsible manner and continually explores sustainable solutions.

[3] https://www.siaec.com.sg/pdf/SIAEC_risk_management_framework.pdf

Management of Key Risks	
Strategic Risks	The Group's strategic risks include geo-political tensions, varying competitive landscapes, changing customer demands, evolving regulatory and operating environments and technological disruptions. Uncertainties surrounding the impact of the COVID-19 pandemic, on recovery of the global economy, rapid geo-political developments, competition in our core business segments and disruptive technologies continue to impact the Group. These risks are monitored constantly throughout the year, taking into consideration changing global economic and industry trends. Strategy meetings are held by the Group annually to formulate and fine-tune business strategies and responses, which will support business objectives, while addressing strategic risks and identified trends. To remain as a valued supplier and stay ahead of its competition, the Company continues to drive its Transformation efforts across the key technology areas such as digitalisation and automation, as well as adoption of Lean methodology in its operations and business processes. Beyond improving operational efficiency and productivity, the Transformation efforts aim to create value for its customers through delivery of high-quality services at competitive prices, develop new and relevant capabilities within the Group and promote a culture of innovation and continuous improvement. On strategic initiatives such as commercial partnerships, investment and divestment decisions, the Group has an established evaluation process and decisions are guided by the Investment Committee and the Board. This ensures that value-accretive opportunities are pursued through a disciplined and robust investment approval process, while ensuring a prudent approach in managing the associated risks. In evaluating strategic initiatives, the Group performs thorough due diligence, feasibility studies and sensitivity analyses, engaging the counsel and expertise of external advisors as required. These strategic initiatives are also monitored to ensure that they continue to meet the Group's business objectives and where required, the Group will augment its strategic initiatives to respond to changes in the business landscape.
Compliance and Regulatory Risks	The Company is fully committed to complying with applicable laws and regulatory requirements, and conducting business with integrity, transparency and honesty. The Company has a zero-tolerance policy towards bribery and corruption. There are policies and procedures in place against violation of regulations, which set out standards of ethical conduct for all employees covering topics such as anti-bribery and corruption; giving and receiving of corporate gifts and concessionary offers; competition laws; interested person transactions; personal data protection; dealings in securities; employee conduct and work ethics; conflicts of interests; and economic sanctions (collectively, "Compliance Controls"). The Company's economic sanctions policy details the processes for due diligence and screening of sanctioned entities, individuals or corporates prior to dealing with such sanctioned persons and on an ongoing basis. The Company also has an established whistle-blowing programme and channel for stakeholders to provide confidential feedback or raise concerns about possible improprieties in any matter. More information on the whistle-blowing programme is set out in the section on the "Group's Whistle-Blowing Policy" on page 61 of this Annual Report. It is a requirement for our suppliers, including their subcontractors or service providers, to adhere to applicable laws and regulations as well as the Company's suppliers' code of conduct which is enforced through purchase orders and agreements. To reinforce the compliance culture, recurrent mandatory e-learning programmes have been put in place for the Company's staff and the completion rates for such programmes are closely monitored and reported to the Risk & Compliance Management Committee.

Management of Key Risks	
Safety Risks	With the Group's business in aircraft MRO, aviation and workplace safety are key risks facing the Group. Safety and quality are key focus areas for the management of these operational risks. The Company is committed to building and maintaining a strong and effective safety and quality management system, in compliance with regulatory requirements and in accordance with best practices in the MRO industry. The Company's Aviation Safety Management System ("ASMS") adopts the requirements and guidelines set by the International Civil Aviation Organisation and the Civil Aviation Authority of Singapore. A Safety, Health and Quality Council[4] ("Council"), chaired by the CEO, oversees the ASMS. The Council closely monitors safety and quality performance to ensure the effectiveness of safety and quality systems, and to identify emerging trends. Due to the impact of the COVID-19 pandemic, risks associated with changes to the working environment and maintenance work performed are identified, and mitigation measures are put in place. Additionally, the Management Committee regularly reviews aviation and workplace safety issues and incidents to ensure accountability and prompt follow-up at the operational level. Every quarter, the Board Safety & Risk Committee reviews reports on safety and quality performance and lapses to ensure that Management undertakes prompt and effective remedial actions to address shortcomings and prevent recurrence. Pursuit of Excellence and Safety are core values of the Company. Through ongoing and new training programmes and campaigns, staff are regularly engaged and reminded on the importance of maintaining high standards of safety and quality at the workplace. To reinforce the importance of safety and strengthen safety training, the Company has set up the Aviation and Workplace Safety Promotion Centres. In addition, the Maintenance Line Operations Safety Assessment programme is in place to enlist operational staff to participate in the identification of operational issues. Observations gathered are analysed and action plans developed to address the issues identified. Operating in a highly regulated industry, the Group is subject to regular audits conducted by airworthiness authorities and customer airlines on its adherence to mandated standards of safety and quality. The Company holds approvals from 27 airworthiness authorities worldwide, including the Civil Aviation Authority of Singapore, the Federal Aviation Administration and the European Union Aviation Safety Agency. These authorities, as well as the Company's customers, conducted over 260 physical and desktop (due to travel restrictions arising from the COVID-19 pandemic) audits on the operations of the Company in FY2021/22 to affirm the adherence to operational and safety standards.

4 Safety, Health and Quality Council was previously known as the Safety, Health, Environment and Quality Council. In FY2021/22, Environment was transferred to be under the purview of the Sustainability Steering Committee, which is chaired by the CEO.

Management of Key Risks	
Operational Risks, Crisis Management and Business Continuity	As part of our continuing efforts to enhance the robustness of our crisis management plans, a Company-wide crisis management exercise is conducted yearly. Crisis management and communication plans and procedures are regularly reviewed and refined, to ensure that responses in a crisis are coordinated and effective. Incidents that had taken place in the aviation and related industries are reviewed and learning points applied to strengthen the Company's crisis management processes. On an ongoing basis, business units and support divisions conduct tests of business continuity plans to ensure their preparedness and the effectiveness of responses to disruptions of critical business functions. As part of its risk-mitigating measures, the Group regularly reviews the scope, type and adequacy of its insurance coverage, taking into account matters including the availability of cover and the probability and impact of potential risks.
Cyber Security and Information Technology ("IT") Risks	With the increasing cyber security threats globally, the Company has taken a pro-active approach to managing its cyber security and IT risks. The Company adopts SIA Group's IT security and governance policies, which take reference from the ISO/IEC 27001 standard on information security management. In addition, the Company leverages SIA Group IT infrastructure and maintains oversight of the systems and conducts independent review to monitor that the IT security infrastructure and networks are continually kept up with evolving threats. A Cyber Incident Response Team within the Crisis Management Directorate is in place to manage IT-related crisis and responses in the event of a cybersecurity incident and an exercise was conducted in FY2021/22 to test and enhance the responses to such incidents. Annually, the business units and support divisions conduct tests of business continuity plans to ensure preparedness and effectiveness of responses to disruptions on critical IT systems. To further safeguard IT security arising from staff working from home, the Company has implemented IT security policies that require mandatory updating of the Company's laptops and servers. Besides the bi-annual IT certification exercises, regular reminders are sent to all staff on phishing and hacking risks and best IT practices. Staff are also required to undergo recurrent e-learning training on information security. To ensure cyber resilience of the SIAEC Group, IT audits and assessments are conducted on selected Group companies to ensure compliance with IT controls and where required, follow-up actions to improve standards and resilience.

Management of Key Risks	
Financial Risks	The Group's operations carry certain financial risks, including the effects of changes in foreign exchange rates and interest rates. The Group's risk management approach is to moderate the effects of such volatility on its financial performance, including addressing the specific COVID-19 risks. The Group's policy permits the use of derivatives to hedge specific exposures. 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 Singapore dollars. The Group also uses forward foreign currency contracts to hedge a portion of its future foreign exchange exposure. The Group uses forward contracts purely as a hedging tool and does not take positions in currencies with a view to making speculative gains from currency movements. Counterparty risks are managed by limiting aggregated exposure on all outstanding financial instruments to any individual counterparty, taking into account its credit rating. Such counterparty exposures are regularly reviewed, and adjusted as necessary to mitigate the risk of material loss arising in the event of non-performance by counterparties. Trade and other receivables that are neither past due nor impaired are with creditworthy debtors. Concentrations of credit risk with respect to trade debtors are limited to the entities comprising the Group's customer base. The Group carefully assesses the financial strength of its customers and where appropriate, obtains collateral, including bank guarantees and letters of credit, from customers. In addition, the Group monitors the receivable balances on an ongoing basis, providing for doubtful accounts whenever risks are identified. More information on financial risk management is set out in the section on "Financial Risk Management Objectives and Policies" on pages 183 to 190 of this Annual Report.
Human Resources Risks	The Company recognises the importance of having a good pipeline of talents to assume key management positions so that the Company's leadership bench strength and ability to make key business decisions will not be adversely impacted. The Company has a robust process to actively identify talents with leadership qualities who can potentially assume key management positions. The Company is committed to developing the competencies of its talents through the provision of targeted training, development and deployment programmes and opportunities. The plans are reviewed regularly to ensure that our talents are provided with sufficient exposure to build up their repertoire of experiences, skills, knowledge and competencies needed for the Company's current and future leadership roles.

Managing the Risks arising from the COVID-19 Pandemic

The Company continues to take appropriate measures to mitigate the impact of the COVID-19 pandemic and its associated risks, while staying nimble and adjusting its responses according to the evolving situation. As the number of flights increases with progressive relaxation of border restrictions and the establishment of bilateral or multilateral travel arrangements, the Company's focus is on ensuring that there are sufficient resources to support its operations in tandem with the recovery of the aviation industry. The safety and health (including mental well-being) of the Company's staff remain a priority, with measures in place which are in line with the government's advisories. With respect to FY2021/22, some of these measures include split operations, the use of personal protective equipment, work-from-home arrangements and vaccination-differentiated safe management measures. With uncertainty in the Company's recovery trajectory, the Company will continue to exercise prudence in cash and costs management.

No Material Sanctions-related Risks

The Board has assessed that the Group currently does not have any exposure or nexus to any sanctions-related risks which are relevant and material to its operations. This position will be monitored on an ongoing basis.

Board Safety & Risk Committee's activities during the Financial Year

During FY2021/22, the Board Safety & Risk Committee held four meetings, and also undertook, inter alia, the following matters:

- reviewed the top risks under its purview;
- reviewed the salient risk management activities of the Company, subsidiaries, joint venture and associated companies in managing the top risks under its purview;
- reviewed the results of the half-yearly risk reviews to understand the significant risks facing the Group;
- reviewed the adequacy and effectiveness of the risk management system, including the assurance provided by Management, and the related disclosures in the annual report;
- reviewed the Risk Appetite Statements;
- reviewed the management of COVID-19-related risks; and
- reviewed the safety and quality performance, and the actions to address lapses.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Audit Committee

The Audit Committee comprises five Non-Executive Directors, the majority of whom, including the Chairman, are Independent. The members of the Audit Committee are:

Chairman:	Mr Chew Teck Soon (until 30 April 2022) Ms Chua Bin Hwee (from 1 May 2022)
Members:	Mrs Christina Ong Dr Raj Thampuran Mr Chin Yau Seng Mr Manohar Khiatani (until 31 March 2022) Mr Lim Kong Puay (from 1 May 2022)

Mr Chew Teck Soon stepped down as Chairman of Audit Committee on 1 May 2022, with Ms Chua Bin Hwee succeeding him as Chairman on the same date. Ms Chua had been a member of the Audit Committee since 1 April 2021 prior to her appointment as Chairman on 1 May 2022.

Neither the current or immediate past Chairman of the Audit Committee (i.e., Ms Chua Bin Hwee and Mr Chew Teck Soon) nor any of the Audit Committee members is a former partner or director of the Company's existing auditing firm. None of the current or immediate past Chairman or members of the Audit Committee have any financial interest in the Company's existing auditing firm. At least two members of the Audit Committee (including both the current and immediate past Chairman) have recent and relevant accounting or related financial management expertise or experience.

The Audit Committee, in accordance with the Terms of Reference approved by the Board, is responsible for, inter alia, the following:

- the integrity of financial statement preparation and reporting;
- risk management and internal controls in relation to financial reporting and other financial-related risks;
- review of the assurance from the CEO and CFO on the financials records and financial statements;
- recommendation to the Board on the proposals to shareholders on the appointment/re-appointment and removal of external auditors;
- internal audit scope, adequacy, effectiveness, resources, performance, independence and results of work;

- external audit qualification, scope, adequacy, effectiveness, independence, terms of engagement, engagement fees and results of work;
- compliance with legal, regulatory and Company policies in relation to financial reporting and other financial-related risks;
- fraud risk management;
- whistle-blowing policies, processes and reporting; and
- interested person transactions.

The Audit Committee reviews the quality, integrity, reliability and fairness of the Group's financial statements and information (including the relevance and consistency of the accounting principles adopted and the significant financial reporting issues and judgments) presented by Management. In the discharge of its duties, it meets regularly (and at least annually) with the external and internal auditors separately, and without the presence of Management, pursuant to the provisions of the Code. During the financial year under review, the Audit Committee met four times with the external auditors and four times with the internal auditors of the Company separately, without the presence of Management. The external and internal auditors report their findings and recommendations to the Audit Committee independently.

External Audit

The Audit Committee oversees the Group's relationship with its auditors. It recommends to the Board the selection, appointment, reappointment and/or removal of the external auditors, and the remuneration and terms of engagement thereof. On an annual basis, the Audit Committee evaluates the performance and effectiveness of the external auditors. It also reviews the independence and objectivity of the external auditors, and assesses the nature, extent and costs of non-audit services provided by the external auditors. Such performance and effectiveness evaluation is used by the Audit Committee to consider and recommend the appointment, re-appointment or removal of the Company's external auditors, the terms of engagement and audit fees. The annual re-appointment of the external auditors is subject to shareholder approval at the Company's AGM.

Internal Audit

The internal audit function is designed to provide reasonable assurance about the adequacy, effectiveness and efficiency of internal controls; the reliability of financial information processes; compliance with applicable laws and regulations; and compliance with policies and procedures of the Company, its subsidiaries, joint venture and associated companies.

The Company's internal audit function is undertaken by SIA Internal Audit pursuant to an agreement between the Company and SIA. SIA Internal Audit adopts a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes by conducting risk-based process audits and information technology audits across the Group. The Head of Internal Audit reports directly to the Audit Committee and the appointment of the Head of Internal Audit is reviewed by the Audit Committee. The Audit Committee approves the engagement, evaluation and compensation of the internal audit team. The Audit Committee approves the engagement, evaluation and compensation of the Internal Audit team.

Annually, the Audit Committee evaluates the adequacy and effectiveness of the internal audit function, the continuation of the engagement of SIA Internal Audit for performance of the internal audit function as well as the fees payable to them. In situations where the audit work to be carried out by SIA Internal Audit could give rise to potential conflicts of interest, such as audit work relating to transactions between the Company and SIA, the Audit Committee may authorise such audit work to be carried out by an independent third party as it deems appropriate.

SIA Internal Audit is provided with unfettered access to all of the Company's documents, records, properties and personnel, including access to the Audit Committee. It is free from any undue influence that would impair its ability to discharge its responsibilities objectively and has appropriate standing within the Company. The Head of Internal Audit meets quarterly with the Audit Committee without the presence of Management. All significant audit findings and recommendations made by SIA Internal Audit are reported to the Audit Committee. Significant issues are discussed at the Audit Committee meetings. SIA Internal Audit follows up on all recommendations to ensure that Management has implemented the recommendations in a timely manner and reports the results to the Audit Committee every quarter.

SIA Internal Audit is a member of the Singapore chapter of the Institute of Internal Auditors ("IIA") and carries out its function according to the Standards for the Professional Practice of Internal Auditing set by the IIA. SIA Internal Audit is staffed by persons with the relevant qualifications and experience. Information technology audits are managed by internal auditors who are Certified Information System Auditors. The professional competence of SIA Internal Audit is maintained or upgraded through training programmes, conferences and seminars that provide updates on auditing techniques and regulations. Quality assessment reviews are carried out at least once in 5 years by external qualified professionals. The last review was completed in FY2019/20. The quality assessment review concluded that the Internal Audit function is adequate and conforms materially with the IIA Standards.

INTERNAL CONTROLS

Adequacy and Effectiveness

The Company's internal control structure consists of policies and procedures established to provide reasonable assurance that transactions undertaken are aligned with the Company's objectives. These internal controls include the Compliance Controls; approval limits for every banking and finance transaction which are set out in financial policies; segregation of duties and regular rotation of sensitive positions; and also include without limitation the controls encapsulated in the following policies and programme. The Board is supported by the Audit Committee in the review of the adequacy and effectiveness of the Group's system of internal controls. The reviews are conducted from time to time and at least once annually.

Group's Whistle-Blowing Policy

The Group's whistle-blowing policy encourages employees, vendors and third parties to report improprieties, malpractices, misconduct and wrongdoings relating to the Group or its officers. For the financial year, the Audit Committee had completed its annual review of the whistle-blowing policy and made enhancements thereto. The policy is made available to all employees on the Company's intranet. Reports to the Whistle-blowing Committee can be lodged via the whistle-blower reporting services independently managed by an external service provider by calling the hotline at +65 3158 1087 (24-hour), via email at SIAGroup_whistleblow@tipoffs.com.sg, by post to Attn: SIA Group Whistleblowing Programme, Tanjong Pagar Post Office, P.O. Box 405, Singapore 910814 or online at https://singapore.deloitte-halo.com/SIAGroup_whistleblow/. The Company is committed to ensuring the protection of the whistle-blower against detrimental or unfair treatment. All information received is treated confidentially to protect the identity of whistle-blowers. Anonymous disclosures are accepted. Employees who have reported in good faith will be protected from reprisal. The Audit Committee is responsible for the oversight and monitoring of whistle-blowing and reviews all whistle-blowing complaints to ensure timely, independent and thorough investigation. Our internal processes ensure that all reported incidents undergo an independent and thorough investigation by the Internal Audit team, which is the designated independent function tasked with the responsibility of investigating whistle-blowing reports made in good faith; and appropriate follow-through actions, including an established disciplinary inquiry process to handle employee misconduct. The outcome of each investigation is reported to the Audit Committee. The Company also publicly discloses the existence of whistle-blowing reporting channels on our corporate website and communicates these clearly to employees.

Control Self-Assessment

A Control Self-Assessment ("CSA") programme, established since FY2003/04, provides a tangible control framework that establishes control ownership among functional managers and staff in their areas of responsibilities. The self-assessments made by functional managers provide the assurance that key controls to address the financial, operational, compliance and information technology risks identified to be relevant and material to the Company's operations are working. Internal audits complement the CSA programme by providing an independent and objective assessment of the processes and controls which may have a material financial impact on the Company. Internal audits and CSA results are reviewed by the Audit Committee.

Securities Transactions and Privy Lists

As prescribed in the Listing Manual, the Company has adopted a policy and guidelines for dealings in the Company's securities (the "Policy and Guidelines"), which are posted on the Company's intranet for easy access by employees. The heads of divisions and departments are responsible for ensuring that the Policy and Guidelines are brought to the attention of employees who do not have ready intranet access.

The current Policy and Guidelines restrict Directors and employees of the Group from trading in the Company's securities during the period two weeks prior to the announcement of the Group's business updates for the first and third quarters of the financial year, and one month prior to the announcement of half-year and full-year results, or whenever they are in possession of and privy to any material unpublished price and/or trade sensitive information relating to the Group.

Pursuant to the Listing Manual, the Group has put in place a policy relating to the maintenance of a list(s) of persons who are privy to unpublished materially price sensitive and/or trade sensitive information. Persons who are included in the privy persons list will be reminded not to trade in the Company's securities while in possession of unpublished materially price sensitive and/or trade sensitive information.

The Company Secretariat issues reminders of the requirements under the policy and the relevant laws and regulations to the Directors, Management and employees. A Director is required to notify the Company of his/her interest in the Company's securities within two business days after (a) the date on which he becomes a Director; (b) the date on which he/she acquires an interest in the Company's securities; or (c) the date he/she becomes aware of a change thereto. The Company will file such disclosure with SGX-ST within one business day of receiving notification from the Director.

The Policy and Guidelines also remind employees and Directors to avoid trading in the Company's securities for short-term considerations and to be mindful of the insider trading prohibitions under the Securities and Futures Act 2001 of Singapore when trading in the Company's or any other related corporation's securities.

Audit Committee's activities during the financial year

Prior to Audit Committee meetings, the Chairman and members of the Audit Committee meet with Management and the Company's external auditors for open discussions and confirmation of the Audit Committee meeting agendas.

The Audit Committee held four meetings during the financial year. The attendance of individual Directors at these meetings is shown on page 34 of the Annual Report.

In the course of the financial year, the Audit Committee performed the following key duties in accordance with its Terms of Reference:

(a) Financial Reporting

Following amendments to the Listing Manual in February 2020, the Company has adopted half-yearly reporting of its financial results and voluntary business updates for the first and third quarters of each financial year from FY2020/21. The business updates included relevant financial information; operating statistics on the Company's performance; and non-financial information such as significant matters and factors that relate to the Company's performance and/or prospects.

During the year, the Audit Committee reviewed the half-yearly and annual financial announcements and financial statements required by the Listing Manual, and voluntary business updates for the first and third quarters for recommendation to the Board for approval. The review focused on changes in significant accounting policies, consistency of principles and practices adopted, major judgmental and risk areas, key audit matters, significant adjustments resulting from the audit, the going concern assumption, compliance with significant financial reporting standards, compliance with the Listing Manual and other legal requirements. The Audit Committee kept itself apprised of changes in financial reporting standards and issues which have a direct impact on the consolidated financial statements of the Group through regular updates by the external auditors.

(b) External Audit

The Audit Committee discussed with the external auditors the audit plan, and the report on the audit of the year-end financial statements, and reviewed the external auditors' management letter and Management's responses thereto. The external auditors did not raise any significant issues in the year-end audit of the financial statements which have an impact on the previously announced interim financial statements.

The Audit Committee discussed with Management and the external auditors the key areas of Management's estimates and judgment applied in the preparation of the financial statements, the most significant of which have been highlighted as Key Audit Matters ("KAMs") in the Independent Auditors' Report for the year ended 31 March 2022. Please refer to pages 98 to 104 of this Annual Report for the Independent Auditors' Report. The Audit Committee's commentary on the KAMs is as follows:

Key Audit Matters	How the Audit Committee reviewed these matters and what decisions were made
Impairment risk on property, plant and equipment and right-of-use assets (collectively "PPE") and intangible assets	The Audit Committee reviewed and considered the approach and methodology applied to the relevant valuation models and their key assumptions, actions taken by Management to manage and drive performance improvements and the forecasted effects from the global COVID-19 pandemic up to the date of the Directors' Statement as set out on pages 88 to 97 of this Annual Report. The Audit Committee considered the findings of the external auditors, including their assessments and appropriateness of their key assumptions. The Audit Committee was satisfied that impairment has been adequately provided for and appropriately disclosed in the consolidated financial statements as at the date of the Directors' Statement as set out on pages 88 to 97 of this Annual Report.

Key Audit Matters	How the Audit Committee reviewed these matters and what decisions were made
Impairment risk on investments in subsidiaries, associated and joint venture companies	The Audit Committee reviewed and considered the approach and methodology applied to the impairment of subsidiaries, associated and joint venture companies, focusing on those with indicators of impairment risk and the key assumptions used in the determination of their value-in-use, including the forecasted impact of the COVID-19 pandemic, macroeconomic outlook, business strategies and reasonableness of the cash-flow forecast. The Audit Committee considered the findings of the external auditors, including their assessment of the value-in-use of the subsidiaries, associated and joint venture companies with indicators of impairment and appropriateness of their key assumptions. The Audit Committee was satisfied that impairment has been adequately provided for and appropriately disclosed in the consolidated financial statements as at the date of the Directors' Statement as set out on pages 88 to 97 of this Annual Report.
Recognition of revenue on customer contracts	The Audit Committee reviewed the recognition of revenue of the Group including significant joint ventures and associated companies. The Audit Committee considered the findings of the external auditors, including the methodology for evaluating key contract parameters and variables and was satisfied that the revenue recognition of the Group had been appropriately accounted for in the consolidated financial statements.
Risk of counterparty credit default	The Audit Committee reviewed and considered Management's credit risk assessment and noted that Management continued to recognise an increased default risk of its customers as recovery of flight activities remains uncertain due to the on-going COVID-19 pandemic and geopolitical tensions. The Audit Committee also reviewed the methodology applied by Management in the recognition of expected credit losses from trade debtors and customer contract assets, and arrangements taken to reduce default losses. The Audit Committee considered the findings of the external auditors, including the probability of default from major customers, and their assessment of the appropriateness of key assumptions applied. The Audit Committee was satisfied that the recognition of expected credit losses had been adequately accounted for and appropriately disclosed in the consolidated financial statements as at the date of the Directors' Statement as set out on pages 88 to 97 of this Annual Report.

The Audit Committee reviewed the external auditors' objectivity and independence from Management and the Company and reviewed the quality and scope of work as well as the fees paid to them. It included the assessment of the nature, extent and costs of non-audit services provided by the external auditors. Fees of $426,000 were paid to the external auditors of the Group during the year for audit and non-audit services. Of this, fees for non-audit services amounted to $136,000. The Audit Committee is of the opinion that the amount of fees paid for non-audit services did not compromise the external auditors' independence.

The Audit Committee 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.

After evaluating the above, the Audit Committee recommended, and the Board endorsed, the terms of engagement and the audit fees for the year ended 31 March 2022 and the re-appointment of KPMG for shareholders' approval at the 2022 AGM.

The Company has complied with Rules 712 and 716 of the Listing Manual in relation to its engagement of auditors for the year ended 31 March 2022.

(c) Internal Audit

The Audit Committee reviewed the scope of internal audit work and its audit programmes, the major findings during the year and Management's responses thereto. In relation to audit activities conducted during the financial year, the internal auditors had unfettered access to the Group's documents, records, properties and personnel, as well as the Audit Committee. The Audit Committee is of the opinion that the internal audit function is independent, effective and adequately resourced, and has appropriate standing within the Company.

(d) Internal Controls and Risk Management

The Audit Committee reviewed the adequacy and effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology controls.

In line with its responsibilities under the Company's Group Risk and Compliance Management structure, the Audit Committee provided oversight to the work of the Group Risk and Compliance Management Committee in respect of financial and the related compliance risks, and internal controls. The Audit Committee closely monitored the Group's capital and liquidity positions to ensure that they remain healthy and that the Company retained financial flexibility to pursue business opportunities. The Audit Committee has found no significant evidence to suggest that the financial risks and the related compliance risks, which the Group considers relevant and material to its operations, are not being satisfactorily managed.

The Board has received assurances from:

(i) the CEO and the CFO that the financial records have been properly maintained and the consolidated financial statements give a true and fair view of the Group's operations and finances; and

(ii) the CEO, the CFO and the Chairman of each Risk & Compliance Management Committee that the Group's risk management system and internal controls, addressing the risks (including financial, operational, compliance and information technology risks) which the Group considers relevant and material to its operations, were adequate and effective as at 31 March 2022.

Based on the Group's risk management system and internal controls established and maintained by the Company; the review of the Group's risk management policies and practices; work performed by the internal and external auditors; the reviews performed by Management and the relevant Board committees; and the above assurances received from the CEO, the CFO and the Chairman of each Risk & Compliance Management Committee, the Board is of the opinion that the Group's risk management system and internal controls, addressing the risks (including financial, operational, compliance and information technology risks) which the Group considers relevant and material to its operations, were adequate and effective as at 31 March 2022. The Audit Committee concurs with the Board in its opinion. The Board has found no significant evidence to suggest that these risks are not being satisfactorily managed.

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 judgment in decision-making, human error, fraud or other irregularities.

(e) Interested Person Transactions ("IPTs")

Internal Audit regularly audits the IPTs entered into by the Group to verify the accuracy and completeness of the IPT disclosure and compliance with the SGX-ST reporting requirements under Chapter 9 of the Listing Manual. The Audit Committee, assisted by the internal auditors, reviewed the IPTs in compliance with the Listing Manual and the Shareholders' Mandate obtained at the last AGM, and is satisfied that the IPTs were made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The Shareholders Mandate, which is published in the Appendix to the Letter to Shareholders, defines the levels and procedures to obtain approval for such transactions. As required by the Listing Rules, details of the IPTs entered into by the Group are disclosed on page 200 of this Annual Report.

Pursuant to the Listing Rules, where any IPT requires shareholders' approval, the interested person will abstain from voting and the decision will be made by disinterested shareholders. The Board has adopted a policy that there should be no loans to Directors, except for loans to fund expenditure to defend Directors in legal or regulatory proceedings, as permitted under the Companies Act 1967. As at 31 March 2022, there were no loans granted to Directors.

CORPORATE GOVERNANCE

(f) Whistle-Blowing

The Audit Committee had reviewed and was satisfied with the adequacy of the whistle-blowing programme instituted by the Company which encourages and provides staff and others, channels to raise concerns, in confidence, about possible improprieties in matters of financial reporting or other matters. All whistle-blower reports were investigated by the internal audit function and reviewed by the Audit Committee at its quarterly meetings to ensure independent investigation and adequate resolution.

(g) Others

The Audit Committee has explicit authority to investigate any matter within its Terms of Reference, and has full access to and co-operation from Management. The Audit Committee 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 Audit Committee met with the internal and external auditors without the presence of Management every quarter.

EXECUTIVE COMMITTEE

The Executive Committee comprises four Directors, half of whom, including the Chairman, are independent. The members of the Executive Committee are:

Chairman:	Mr Tang Kin Fei
Members:	Mr Goh Choon Phong
	Mr Ng Chin Hwee
	Mr Chew Teck Soon (until 30 April 2022)
	Ms Chua Bin Hwee (from 1 May 2022)

The Executive Committee, in accordance with the Terms of Reference approved by the Board, is responsible for, inter alia, the following:

- overseeing the execution by Management of the overall strategy relating to the Company, its subsidiaries and joint ventures and such matters delegated by the Board set out herein;
- monitoring the Group's operations, performance, investments and partnership affairs;
- reviewing Group funding and related financial projections;
- making administrative decisions on matters including delegation of authority, opening and operation of bank accounts and allotment of shares; and
- carrying out any other functions or duties as may be delegated by the Board.

The Executive Committee is authorised by the Board to consider, evaluate, approve or recommend for the Board's consideration and approval business opportunities, group funding requirements, strategic investments and divestments, within its Financial Authority Limits ranging from $5 million to $10 million. The Executive Committee relieves the Board of decision-making on routine day-to-day administrative matters and enables the Company to deal with such matters expeditiously in its daily operations.

During FY2021/22, the Executive Committee held three meetings, and also undertook, inter alia, the following activities:

(a) reviewed essential expenditure on resources and infrastructure for digitalisation and development of an enterprise information management system;

(b) reviewed essential capital expenditure to upgrade systems and equipment for engine testing;

(c) reviewed nominations to the boards of Group companies and appointments of the Company's corporate representatives;

(d) reviewed the leasing costs of a fleet of Ground Power Units to support line maintenance operations; and

(e) reviewed the performance of joint venture companies, status of joint venture projects that are in progress, and new opportunities to strengthen the Company's capabilities and growth.

TECHNOLOGY ADVISORY COMMITTEE

The Technology Advisory Committee comprises two Directors, and five other eminent business leaders and industry experts. Collectively, the members' expertise covers a range of topics relating to digital transformation, infrastructure technology, internet of things, robotics and aeronautics. The members of the Technology Advisory Committee are:

Chairman:	Dr Raj Thampuran (Director of the Company)
Members:	Dr Alan H. Epstein (Professor Emeritus, Massachusetts Institute of Technology)
	Mr Peter Ho (CEO, Hope Technik)
	Prof Quek Tong Boon (Chief Scientific Advisor, Ministry of Trade and Industry) (retired as of 1 January 2022)
	Prof Yeo Kiat Seng (Associate Provost, Singapore University of Technology and Design) (retired as of 1 January 2022)
	Mr George Wang (SVP IT, Singapore Airlines Limited)
	Mr Ng Chin Hwee (Director and CEO of the Company)
	Ms Shirley Wong (Managing Partner of TNF Ventures Pte Ltd) (appointed as of 11 January 2022)
	Mr Mark Schulz (Founder of #DigitalAircraft) (appointed as of 11 January 2022)

The Technology Advisory Committee, constituted with its own Terms of Reference, complements the other Board committees, namely the Audit Committee, the Nominating Committee, the Compensation & HR Committee, the Board Safety & Risk Committee, Executive Committee and the Board Sustainability Committee. It shares perspectives on emerging trends and opportunities in technologies, provides advice and feedback on technological and digital concepts in relation to the business and operations of the Company, advises on major technology-related projects and provides guidance on the approach to technology-led innovation and digitalisation, amongst others.

During the financial year, the Technology Advisory Committee held two meetings. External consultants were invited to one of the meetings to share their experience on various aspects of sustainability and the key trends that are driving efforts in this area, as well as the role of digital technologies in enabling sustainable business practices.

BOARD SUSTAINABILITY COMMITTEE

The Board Sustainability Committee was established on 19 April 2022 and comprises three Independent Directors, the CEO and the Chief Sustainability Officer. The members of the Board Sustainability Committee are:

Chairman:	Mrs Christina Ong
Members:	Ms Chua Bin Hwee
	Mr Lim Kong Puay
	Mr Ng Chin Hwee
	Mr Foo Kean Shuh

The Board Sustainability Committee is responsible for accelerating, leading and guiding the Group's sustainability efforts and to weave environmental, social and governance (ESG) issues into the Group's business strategies. In accordance with the Terms of Reference approved by the Board, the Board Sustainability Committee's key responsibilities are:

(a) development and ongoing review of the Group's sustainability strategy;

(b) development and ongoing review of the Company's ESG framework, policies, goals, priorities, guidelines etc.;

(c) sustainability governance;

(d) management of the Company's ESG risks;

(e) determination of the Company's material ESG factors (including performance metrics and targets and tracking thereof) and review of the Company's sustainability performance; and

(f) oversight of sustainability reporting, assurance matters and the Company's annual sustainability report.

Following the introduction of a phased approach to mandatory climate reporting, the Company will be complying therewith and providing requisite disclosures in due course.

MANAGEMENT COMMITTEES

Management oversees specific areas of the Group's operations and businesses through various committees, holding meetings with varying frequencies, from daily, weekly, bi-weekly, monthly to quarterly. These include the Management Committee, the Staff Committee, the Sustainability Steering Committee, the Investment Committee, the Partnership Review Committee, the Group Risk & Compliance Management Committee, the Risk & Compliance Management Committee and the Joint Ventures Risk & Compliance Management Committee.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Shareholders' Right to Participate Effectively at Meetings

All shareholders enjoy specific rights under the Constitution and the relevant laws and regulations. The Company is fully committed to the fair and equitable treatment of all shareholders. It recognises that the release of timely, regular and relevant information regarding the Group's performance, progress and prospects aids shareholders in their investment decisions. The Company ensures that all material price-sensitive and trade-sensitive information is disclosed on a timely, comprehensive, accurate and transparent basis via SGXNet, and is also posted on the Company's website at www.siaec.com.sg. Such material price-sensitive and trade-sensitive information include its financial results, Annual Reports and other information of interest to shareholders and investors.

Shareholders are informed of general meetings through notices sent to all shareholders, notices published in the newspapers and electronic releases via SGXNet. The Company generally provides shareholders with longer than the minimum statutory notice period required for general meetings. The general meeting procedures provide shareholders the opportunity to participate effectively, vote, raise questions relating to each resolution tabled for approval and openly communicate their views to the Directors, in accordance with the established rules and procedures at the Company's AGM. Under the multiple proxies regime introduced pursuant to the Companies (Amendment) Act 2014, "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund ("CPF") Board are allowed to appoint more than two proxies to attend, speak and vote at general meetings. This enables indirect investors, including CPF and SRS investors, to be appointed as proxies to participate at shareholder meetings.

Separate Resolutions

At shareholder meetings, every proposal on each distinct issue requiring approval is tabled as a separate resolution with the necessary information provided to enable shareholders to exercise their votes on an informed basis. In the event that there are resolutions which are interdependent and linked, the Board will explain the reasons and material implications in the notice of the meeting. For detailed information and explanatory notes on resolutions proposed for the 2022 AGM, please refer to the 'Notice of AGM' in this Annual Report, which is also found on the Company's website. For resolutions on the re-election of Directors, information on their background, their contributions to the Company, and their Board and Board committee positions is provided in the Annual Report.

Conduct of Meetings

Since 2012, the Company had adopted electronic poll voting by shareholders for greater transparency in the voting process. An independent external consultant is also appointed as scrutineer for the electronic poll voting process. Prior to the commencement of the general meeting of shareholders, the scrutineer would review the proxies and the proxy process. A proxy verification process agreed upon with the scrutineer is also in place. The scrutineer briefs the shareholders on the electronic poll voting process at the start of the general meeting. Votes cast for, or against, each resolution are tallied and displayed live-on-screen immediately after each poll conducted at the meeting. The Company maintains an audit trail of all votes cast at the general meeting of shareholders. Each share is entitled to one (1) vote.

Provision 11.4 of the Code provides that a company's constitution should allow for absentia voting at general meetings of shareholders. Currently, shareholders can vote by proxy but not in absentia. The Company will consider amending its Constitution if the Board is of the view that there is justifiable demand for absentia voting, and after the Company has evaluated and put in place the necessary measures to facilitate such voting. Notwithstanding the Company's deviation from Provision 11.4 of the Code, shareholders are treated fairly and equitably and have the opportunity to communicate their views on matters affecting the Company. Where shareholders are unable to attend general meetings, they may appoint proxies to attend, speak and vote on their behalf.

After the general meeting of shareholders, the voting results of the general meeting (including total numbers and percentage of votes cast for and against each resolution) and the name of the independent scrutineer are also promptly announced on SGXNet on the same day.

Board and Management Attendance at General Meetings

The AGMs and/or extraordinary general meetings are principal forums for dialogue with shareholders. At each AGM, the CEO delivers a presentation to update shareholders on key developments in the MRO industry, measures being taken by the Company to address these developments as well as its strategic direction. The presentation is posted on SGXNet and the Company's website. Shareholders are encouraged to participate in such meetings by raising relevant questions or seeking clarification on the motions tabled at these meetings. The Chairman, Directors, Management and external auditors are in attendance for the entire duration of these meetings to address questions from shareholders. The Chairman of the Meeting facilitates constructive dialogue between shareholders and the Board, Management, external auditors and other relevant professionals. Where appropriate, Directors such as the respective Board committee chairmen, will directly answer queries on matters related to their roles, and shareholders are given an opportunity to interact with the Directors and Senior Management after general meetings.

Alternative Arrangements for 2021 AGM and forthcoming 2022 AGM

Due to the COVID-19 situation in Singapore, the AGM held in respect of the financial year ended 31 March 2021, was convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("COVID-19 Order"). Alternative arrangements relating to attendance at the AGM 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 AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, were put in place for the AGM and communicated to shareholders through an announcement posted on SGXNet and the Company's website. The Notice of AGM, proxy form, annual report and letter to shareholders were published on SGXNet and the Company's website. The Company's responses to substantial and relevant questions received from shareholders in advance of the AGM were published on SGXNet and the Company's website prior to the AGM. The Chairman, the CEO, the CFO and the Company Secretary were present in person at the 2021 AGM proceedings, while the rest of the Directors attended via video conference.

To keep physical interactions and COVID-19 transmission risk to a minimum, the forthcoming 2022 AGM will again be convened and held by way of electronic means. However, to facilitate shareholder engagement, the Company will implement real-time remote electronic voting and real-time electronic communications at the 2022 AGM, which will be held on 21 July 2022 at 11.00 a.m. (Singapore time). Alternative arrangements will be put in place for the conduct of the 2022 AGM, including: (a) attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream); (b) submission of questions to the Chairman of the Meeting in advance of, or "live" at, the AGM, and addressing of substantial and relevant questions in advance of, or "live" at, the AGM; and (c) voting at the AGM (i) "live" by the shareholders or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the AGM. More details on the arrangements for the 2022 AGM are provided in a separate announcement released on SGXNet and the Company's website.

Minutes of General Meetings

Minutes of shareholders' meetings, which record substantial and relevant comments and queries from shareholders and responses from the Board and Management, are prepared by the Company Secretary and published on the Company's corporate website as soon as practicable. The minutes of the 2021 AGM proceedings were published on SGXNet and the Company's website within one month after the 2021 AGM.

Dividends

The Company aims to pay a sustainable dividend over time, consistent with long-term growth prospects. Dividends to be paid will be at the discretion of the Board, which takes into account, inter alia, the Company's profitability, capital structure, projected capital requirements, investment plans and cash requirements. The previous years' dividend payouts are set out in the "Five-Year Financial Summary of the Group" section of the Annual Report. The Board will not be recommending a dividend in respect of the financial year ended 31 March 2022 as COVID-19 has adversely impacted the Group's financial results. The Board has taken into consideration substantial government wage support received during the financial year, without which the Group would have reported a loss. While flight activities are showing clear signs of recovery, they remain low as compared to pre-pandemic levels. Against a backdrop of geopolitical tensions and the continuing threat of rising COVID-19 infection rates in some countries as well as new COVID-19 variants emerging, there are significant risks to the pace of the Company's recovery.

Disclosures, Ongoing Communication and Access

The Company adopts transparent, accountable and effective communication practices to enhance standards of corporate governance, and aims to provide clear and continuous disclosure of its corporate governance practices through efficient use of technology. All announcements are made available on the Company's website immediately after they are released on SGXNet to ensure fair, equal and prompt dissemination of material information (including materially price sensitive and trade sensitive information). The following information is made available on the Company's website and/or SGXNet on a timely basis:

(a) Board of Directors and Key Executives' profiles;

(b) Notices of shareholder meetings, proxy forms and minutes of general meetings;

(c) Annual Reports;

(d) Letters and circulars to shareholders;

(e) Company announcements;

(f) Press releases;

(g) Financial results;

(h) First quarter and third quarter business updates; and

(i) Analysts and media briefing presentations.

The Company has adopted half-yearly reporting of its financial results from FY2020/21 onwards. The half-year and full-year financial results contain detailed financial statements, key business drivers and Management commentaries on the financial performance of the Group. They are announced within 45 and 60 days from the end of each respective financial period. As part of the Company's commitment to engage shareholders through clear, timely and consistent communication, the Company provides voluntary business updates for the first and third quarters of each financial year to give shareholders a better insight into the Company's performance in between the half-year and full-year financial results.

The Company holds analysts and media briefings for its mid-year and full-year results to explain the financial performance as well as its strategy and key business developments. The CEO and key management representatives also meet with investors to share the same information following the release of the mid-year and full-year results. At other times, non-deal road shows, corporate access forums and conferences, institutional investor meetings and conference calls between senior management representatives and analysts/investors are held to facilitate their understanding of the Company's business and performance. Presentation materials are made available to shareholders on SGXNet and the Company's website prior to these sessions.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, which may have an impact on the Company's long-term sustainability. The Company regularly engages its stakeholders, namely, its employees, unions, customers, shareholders, joint venture partners, suppliers, government agencies, authorities and trade associations, and the community, to understand and address their interests and concerns. Regular communications with its stakeholders, which has been enhanced through various channels, enable the Company to identify key economic, environmental, social and governance risks, and impacts and opportunities that are material and relevant. The Company conducts an annual materiality assessment to better understand these key topics and calibrates its responses to address stakeholders' interests effectively.

Methods of Engagement with Key Stakeholders

Stakeholder	Engagement Methods
Employees	• Mobile communication application and Employee Self-Service On-The-Go • Intranet portal, in-house magazine, communication packages, engagement with direct supervisors • Dialogues with Senior Management • Surveys on organisational climate, Transformation, digitalisation • Events such as Safety & Security Week, Innovation Week and Innovation Challenge • Engagement with unions • Grievance mechanism through the Whistle-blowing programme
Customers	• Regular status updates or sharing of key performance indicators through emails, teleconferences and meetings • Company updates through Customer Newsletter and LinkedIn • Visits with customers • Independent customer survey • Events such as Singapore Airshow and international MRO shows and exhibitions • Grievance mechanism through the Whistle-blowing programme
Shareholders	• Company announcements, press releases, financial results, business updates, Annual Reports, Sustainability Reports and information of interest to shareholders available on SGXNet and the Company's website • Annual dialogue between shareholders, Board of Directors and Senior Management at the AGM • Half-yearly analysts briefings • Management participation in non-deal road shows, corporate access forums and conferences, institutional investor meetings and conference calls • Investor relations contact details available on the Company's website • Grievance mechanism through the Whistle-blowing programme
Joint Venture ("JV") Partners	• Frequent engagement to explore growth opportunities, develop new capabilities, provide advice and support for strategic restructuring and acquisition/divestment activities • Partners Forum to enhance sharing of perspectives and foster closer collaboration between the Company, its network of joint venture companies and OEM partners, to prepare for recovery in the post-COVID-19 aerospace industry • Management review of JVs' performance and issues • Representation and participation of the Company's nominee directors at JV Board meetings • Presentation to SIAEC's Board on JVs' performance and growth plans • Regular internal audits on JVs' internal controls and compliance, and regulatory audits on safety and quality standards
Suppliers	• Regular meetings, emails and teleconferences with suppliers to discuss commercial and operational matters • Review of suppliers' performance to ensure compliance with the established standards, procedures or key performance indicators • Regular review of suppliers' sustainability practices and evaluate any breaches of the Supplier Code of Conduct • Questionnaire for new suppliers • Supplier risk assessments during the selection phase • Grievance mechanism through the Whistle-blowing programme

CORPORATE GOVERNANCE

Stakeholder	Engagement Methods
Unions	• Monthly meetings between Management and unions on employee-related issues • Informal get-together sessions and retreats to maintain collaborative relationships with union partners
Government Agencies, Authorities and Trade Associations	• Participation in events and activities of trade associations. The Company is a member of the Singapore Business Federation, Singapore International Chamber of Commerce, Singapore National Employers Federation, Singapore Institute of Aerospace Engineers and Association of Aerospace Industries (Singapore) • Regular meetings and visits by the aviation authorities' auditors
Community	• Community engagement programmes and projects • Donations

In its pursuit to be the MRO service provider of choice, the Company aims to create growth through innovation, technology and transformation, in collaboration with its business partners. The Company acts responsibly, ensuring environmental and social sustainability throughout operations and the supply chain, with a particular emphasis on the safety of all staff and customers. It strives to contribute to society and deliver value to its employees and local communities. Please refer to the Sustainability Report on the Company's website for more information on stakeholder engagement activities.

Dedicated Public Affairs & Investor Relations ("PRIR") Team

The PRIR team is the Company's corporate liaison and the team is responsible for the dissemination of corporate information and ongoing engagements with the Company's stakeholders. Open dialogue with the Company's stakeholders is valued and the contact details of the PRIR team are available on the Company's website for stakeholders to submit their feedback and raise any questions.

The Company also has procedures in place for addressing and responding to stakeholders' needs in a timely manner. Upon receiving queries and feedback, the PRIR team will consult the relevant subject matter expert before responding appropriately to the feedback. Communications with the Company's stakeholders are conducted in an open, transparent manner and in compliance with SGX-ST requirements. There is a dedicated investor relations section on the Company's website where current and past annual reports, quarterly financial results, corporate presentations and other information considered to be of interest to stakeholders are readily available.

Our PRIR team may be contacted at siaec_comms@singaporeair.com.sg.

SUMMARY OF DISCLOSURE ON THE CODE

Rule 710 of the Listing Manual requires Singapore-listed companies to describe their corporate governance practices with specific reference to the Code in their annual reports for financial years commencing on or after 1 January 2019. This Summary of Disclosures describes our corporate governance practices with specific reference to the principles and provisions of the Code.

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The risk management framework sets out the policies, processes and procedures for identifying, evaluating and managing risks. The Company advocates a continuous and iterative risk management process, which was developed with reference to the principles and guidelines of the ISO 31000 risk management standards and the Code. The risks identified are wide-ranging, covering strategic, financial, operational, cybersecurity and information technology, compliance, and human resources and industrial relations risks.

More details of the key elements of the Risk Management Framework can be found on the Company's website.

RISK APPETITE STATEMENTS

The following risk appetite statements outline the amount of risk the Group is willing to take in achieving its business objectives.

Risk Appetite Statements	
Strategic	• SIAEC pursues diversified growth in the aircraft MRO business to mitigate the risk of over-reliance on any single segment. • In addition to the Singapore hub, SIAEC also grows its presence overseas to capture growth opportunities in those markets and diversify its revenue sources. • To maintain competitiveness, SIAEC continually invests in infrastructure, equipment, technology, systems and training to develop capabilities, optimise operations and maintain a highly-skilled and productive workforce. • SIAEC forms strategic partnerships with airlines, aerospace original equipment manufacturers and other relevant companies, to gain long-term access to key markets, technologies and capabilities. • SIAEC will continue to strengthen its business portfolio by pursuing value-accretive opportunities in new markets and businesses, whilst maintaining a disciplined and robust investment approval process, and ensuring a prudent approach in managing the associated risks.
Regulatory	• SIAEC is fully committed to complying with applicable laws and regulatory requirements, and conducting business with integrity, transparency and honesty.
Safety, Health & Environment	• Safety is a top priority and of paramount importance to the continuing operations of SIAEC. There is no compromise on safety and this message is continuously reinforced in daily work and training. • Conscientious efforts are made to embed continued safety vigilance and safety culture amongst all staff. This includes providing a safe work environment, encouraging active reporting of safety matters, continuous learning and improvement whilst maintaining the highest standard of quality and safety in aircraft maintenance. • SIAEC is committed to operate in an environmentally responsible manner and continually explores sustainable solutions.

MANAGEMENT OF KEY RISKS

The following sets out the key risks faced by SIAEC and the approach to managing these risks.

Key Risks	
Strategic Risks	The Group's strategic risks include geo-political tensions, varying competitive landscapes, changing customer demands, evolving regulatory and operating environments and technological disruptions. Uncertainties surrounding the impact of the COVID-19 pandemic on recovery of the global economy, rapid geo-political developments, competition in our core business segments and disruptive technologies continue to impact the Group. These risks are monitored constantly throughout the year, taking into consideration changing global economic and industry trends. Strategy meetings are held by the Group annually to formulate and fine-tune business strategies and responses, which will support business objectives, while addressing strategic risks and identified trends. To remain as a valued supplier and stay ahead of its competition, the Company continues to drive its Transformation efforts across the key technology areas such as digitalisation and automation, as well as adoption of Lean methodology in its operations and business processes. Beyond improving operational efficiency and productivity, the Transformation efforts aim to create value for its customers through delivery of high-quality services at competitive prices, develop new and relevant capabilities within the Group and promote a culture of innovation and continuous improvement. On strategic initiatives such as commercial partnerships, investment and divestment decisions, the Group has an established evaluation process and decisions are guided by the Investment Committee and the Board. This ensures that value-accretive opportunities are pursued through a disciplined and robust investment approval process, while ensuring a prudent approach in managing the associated risks. In evaluating strategic initiatives, the Group performs thorough due diligence, feasibility studies and sensitivity analyses, engaging the counsel and expertise of external advisors as required. These strategic initiatives are also monitored to ensure that they continue to meet the Group's business objectives and where required, the Group will augment its strategic initiatives to respond to changes in the business landscape.
Compliance and Regulatory Risks	The Company is fully committed to complying with applicable laws and regulatory requirements, and conducting business with integrity, transparency and honesty. The Company has a zero-tolerance policy towards bribery and corruption. There are policies and procedures in place against violation of regulations, which set out standards of ethical conduct for all employees covering topics such as anti-bribery and corruption; giving and receiving of corporate gifts and concessionary offers; competition laws; interested person transactions; personal data protection; dealings in securities; employee conduct and work ethics; conflicts of interests; and economic sanctions (collectively "Compliance Controls"). The Company's economic sanctions policy details the processes for due diligence and screening of sanctioned entities, individuals or corporates prior to contracting and on an ongoing basis. The Company also has an established whistle-blowing programme and channels for stakeholders to provide confidential feedback or raise concerns about possible improprieties in any matter. More information on the whistle-blowing programme is set out in the section on the "Group's Whistle-Blowing Policy" on page 61 of this Annual Report. It is a requirement for our suppliers, including their subcontractors or service providers, to adhere to applicable laws and regulations as well as the Company's suppliers' code of conduct, which is enforced through purchase orders and agreements. To reinforce the compliance culture, recurrent mandatory e-learning programmes have been put in place for staff and the completion rates are closely monitored and reported to the Risk & Compliance Management Committee.

Key Risks	
Safety Risks	With the Group's business in aircraft MRO, aviation and workplace safety are key risks facing the Group. Safety and quality are key focus areas for the management of these operational risks. The Company is committed to building and maintaining a strong and effective safety and quality management system, in compliance with regulatory requirements and in accordance with best practices in the MRO industry. The Company's Aviation Safety Management System ("ASMS") adopts the requirements and guidelines set by the International Civil Aviation Organisation and the Civil Aviation Authority of Singapore. A Safety, Health and Quality Council[1] ("Council"), chaired by the CEO, oversees the ASMS. The Council closely monitors safety and quality performance to ensure the effectiveness of safety and quality systems, and to identify emerging trends. Due to the impact of the COVID-19 pandemic, risks associated with changes to the working environment and maintenance work performed are identified, and mitigation measures are put in place. Additionally, the Management Committee regularly reviews aviation and workplace safety issues and incidents to ensure accountability and prompt follow-up at the operational level. Every quarter, the Board Safety & Risk Committee reviews reports on safety and quality performance and lapses to ensure that Management undertakes prompt and effective remedial actions to address shortcomings and prevent recurrence. Pursuit of Excellence and Safety are core values of the Company. Through ongoing and new training programmes and campaigns, staff are regularly engaged and reminded on the importance of maintaining high standards of safety and quality at the workplace. To reinforce the importance of safety and strengthen safety training, the Company has set up the Aviation and Workplace Safety Promotion Centres. In addition, the Maintenance Line Operations Safety Assessment programme is in place to enlist operational staff to participate in the identification of operational issues. Observations gathered are analysed and action plans developed to address the issues identified. Operating in a highly regulated industry, the Group is subject to regular audits conducted by airworthiness authorities and customer airlines on its adherence to mandated standards of safety and quality. The Company holds approvals from 27 airworthiness authorities worldwide, including the Civil Aviation Authority of Singapore, the Federal Aviation Administration and the European Union Aviation Safety Agency. These authorities, as well as the Company's customers, conducted over 260 physical and desktop (due to travel restrictions arising from COVID-19) audits on the operations of the Company in FY2021/22 to affirm the adherence to operational and safety standards.

1 Safety, Health and Quality Council was previously Safety, Health, Environment and Quality Council. In FY2021/22, Environment was transferred to be under the purview of the Sustainability Steering Committee, which is chaired by the CEO.

Key Risks

Operational Risks, Crisis Management and Business Continuity

As part of our continuing efforts to enhance the robustness of our crisis management plans, a Company-wide crisis management exercise is conducted yearly. Crisis management and communication plans and procedures are regularly reviewed and refined, to ensure that responses in a crisis are coordinated and effective. Incidents that had taken place in the aviation and related industries are reviewed and learning points applied to strengthen the Company's crisis management processes. On an ongoing basis, business units and support divisions conduct tests of business continuity plans to ensure their preparedness and the effectiveness of responses to disruptions of critical business functions.

As part of its risk-mitigating measures, the Group regularly reviews the scope, type and adequacy of its insurance coverage, taking into account matters including the availability of cover and the probability and impact of potential risks.

Cybersecurity and Information Technology ("IT") Risks

With the increasing cybersecurity threats globally, the Company has taken a pro-active approach to managing its cybersecurity and IT risks.

The Company adopts SIA Group's IT security and governance policies, which take reference from the ISO/IEC 27001 standard on information security management. In addition, the Company leverages SIA Group IT infrastructure and maintains oversight of the systems and conducts independent review to monitor that the IT security infrastructure and networks are continually kept up with evolving threats. A Cyber Incident Response Team within the Crisis Management Directorate is in place to manage IT-related crisis and responses in the event of a cybersecurity incident and an exercise was conducted in FY2021/22 to practise and enhance the procedures. Annually, the business units and support divisions conduct tests of business continuity plans to ensure preparedness and effectiveness of responses to disruptions on critical IT systems.

To further safeguard the IT security arising from staff working from home, the Company has implemented IT security policies that require mandatory updating of the Company's laptops and servers. Besides the bi-annual IT certification exercises, regular reminders are sent to all staff on phishing and hacking risks and best IT practices. Staff are also required to undergo recurrent e-learning training on information security.

To ensure cyber resilience of the SIAEC Group, IT audits and assessments are conducted on selected Group companies to ensure compliance with IT controls and where required, follow-up actions to improve standards and resilience.

Key Risks

Financial Risks

The Group's operations carry certain financial risks, including the effects of changes in foreign exchange rates and interest rates.

The Group's risk management approach is to moderate the effects of such volatility on its financial performance, including addressing the specific COVID-19 risks. The Group's policy permits the use of derivatives to hedge specific exposures.

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 Singapore dollars. The Group also uses forward foreign currency contracts to hedge a portion of its future foreign exchange exposure. The Group uses forward contracts purely as a hedging tool and does not take positions in currencies with a view to make speculative gains from currency movements.

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

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors. Concentrations of credit risk with respect to trade debtors are limited to the entities comprising the Group's customer base. The Group carefully assesses the financial strength of its customers and where appropriate, obtains collaterals, including bank guarantees and letters of credit, from customers. In addition, the Group monitors the receivable balances on an ongoing basis, providing for doubtful accounts whenever risks are identified.

More information on financial risk management is set out in the section on "Financial Risk Management Objectives and Policies" on pages 183 to 190 of this Annual Report.

Human Resources Risks

The Company recognises the importance of having a good pipeline of talents to assume key management positions so that the Company's leadership bench strength and ability to make key business decisions will not be adversely impacted.

The Company has a robust process to actively identify talents with leadership qualities who can potentially assume key management positions. The Company is committed to developing the competencies of its talents through the provision of targeted training, development and deployment programmes and opportunities. The plans are reviewed regularly to ensure that our talents are provided with sufficient exposure to build up their repertoire of experiences, skills, knowledge and competencies needed for the Company's current and future leadership roles.

MANAGING THE RISKS ARISING FROM THE COVID-19 PANDEMIC

The Company continues to take appropriate measures to mitigate the impact of COVID-19 and associated risks, while staying nimble and adjusting its responses according to the evolving situation. As the number of flights increases with progressive relaxation of border restrictions and establishment of bilateral travel arrangements, the focus is on ensuring sufficient resources to support operations in tandem with the recovery of the aviation industry. The safety and health (including mental well-being) of our staff remain a priority, with measures in place which are in line with the authorities' advisories. With respect to FY2021/22, some of these measures include split operations, use of personal protective equipment, work-from-home arrangements, vaccination-differentiated safe management measures etc. With uncertainty in the recovery trajectory, SIAEC will continue to exercise prudence in cash and costs management.

As the aviation industry continued to face headwinds in the recovery of global travel, recovery of demand for repair and overhaul was similarly impacted. Even as we managed the challenges of a slow recovery, SIAEC remained fully focused on advancing its environmental, social and governance (ESG) agenda, embarking on efforts to pursue growth and accelerate transformation, ensuring employee well-being and decarbonising our operations.

To do our part in the global efforts to combat climate change, we have adopted the global target of reaching net zero emissions by 2050 and accelerated our efforts towards decarbonisation and environmental sustainability across our operations. We have commenced work on the adoption of climate reporting in line with recommendations from the Task Force on Climate-related Financial Disclosures in compliance with SGX's requirements. Some of our key environmental highlights in FY2021/22 include:

- Achieved Platinum rating and Super Low Energy Building status for Green Mark Certification from Building and Construction Authority, as well as Water Efficient Building Certification from Public Utilities Board for two of our hangars in Singapore.
- Conducted a successful trial using blended Sustainable Aviation Fuel, which emits 32% lower carbon emissions than conventional jet fuel, to perform engine tests at our Engine Test Facility.
- Our wholly-owned subsidiary, SIA Engineering (Philippines) Corporation, signed an agreement with North American Aerospace Industries, an aircraft part-out specialist, to provide sustainable, end-to-end aircraft recycling solutions.

Against the backdrop of the pandemic, the well-being and safety of our employees and customers have also remained a priority for SIAEC. Beyond implementing safe management measures at the workplace and adhering to health authorities' advisories, we sought to protect the mental well-being of our employees. Counselling services were made accessible to all employees, and talks on mental well-being were held to raise awareness on the subject.

To secure long-term growth, we continue to grow our capabilities and expand our market reach. In FY2021/22, we expanded our engine capabilities with the opening of a new Aircraft Engine Services facility in Singapore. The acquisition of a 75% stake in SR Technics Malaysia Sdn Bhd will broaden our scope of component repair and overhaul capabilities. Phase 2 of our transformation journey gained strong traction with tangible productivity improvements and cost savings during the year. In January 2021, we established a Lean Academy to accelerate the adoption of Lean methodologies within the Company to improve work efficiency and productivity, enhance staff experience,

and boost service delivery to our customers. We continue to encourage ground-up innovation from employees to increase productivity, such as designing assistive tools to aid in accomplishment of physically laborious tasks. This has the benefit of reducing physical exertion and addressing ageing workforce concerns, leading to improved overall safety performance.

We have also enhanced our sustainability governance and framework to strengthen our sustainability agenda and ensure the creation of long-term stakeholder value. In April 2022, the Company established the Board Sustainability Committee and appointed Executive Vice President Operations as Chief Sustainability Officer. The sustainability framework is updated with sustainability topics categorised into four key pillars: Enhance value creation; Empower our workforce; Manage our environmental impact; and Pursue active partnerships. These pillars are aligned to the six capitals (financial, manufactured, intellectual, human, natural, and social and relationship capitals) defined by the International Integrated Reporting Council.

SIAEC recognises that to drive sustainable development, the Company needs to ensure value is created for all stakeholders. Looking ahead, SIAEC remains committed to ensuring the sustainability of our business and operations through the proper management of SIAEC's sustainability topics and delivering sustainable impact to our key stakeholders. For more information on the management approach, targets and performance of the Company's material sustainability topics, please look out for SIAEC's FY2021/22 Sustainability Report, which will be published on our corporate website.

SIAEC'S FY2021/22 SUSTAINABILITY HIGHLIGHTS

Creating sustainable long-term growth

- Acquired 75% stake in **SR Technics Malaysia** to broaden our scope of component repair and overhaul services
- New **Aircraft Engine Services** facility for CFM LEAP-1A and -1B engines

Ensuring safety and delivering high quality services to our customers

- **0** high-consequence work-related injuries and work-related fatalities
- **Signatory** of the Civil Aviation Authority of Singapore's Charter for a Strong and Positive Safety Culture

Upholding high corporate governance standards

- **0** reported incidents of corruption or bribery
- **0** complaints concerning breaches of customer privacy and losses of customer data

Driving and accelerating sustainability

- Appointed EVP Operation as **Chief Sustainability Officer**

Managing our environmental impact

- **19%** of electricity supplied from solar panels installed on our premises
- Achieved **long-term target of 15% reduction** in electricity consumption from FY2013/14 baseline
- Achieved **Green Mark Platinum and Super Low Energy Building** Certifications for 2 hangars
- Successful trial using blended **sustainable aviation fuel** for engine tests, which emits **32%** lower carbon emissions than conventional jet fuel
- Collaboration with aircraft part-out specialist to provide **sustainable, end-to-end aircraft recycling solutions**
- **31%** of non-hazardous waste recycled
- **0** cases of non-compliance with environmental laws and/or regulations

Investing in SIAEC's human capital

- **41** hours of training per employee on average
- **$7.6** million invested in the training of employees
- Set up **Lean Academy** to upskill workers, improve work efficiency and productivity, enhance staff experience and boost service delivery to our customers

Giving back to local communities

- **354** volunteers through our CSR efforts

Selecting responsible supply chain partners

- **0** suppliers were found to have breached SIAEC's Supplier Code of Conduct

STATISTICAL HIGHLIGHTS

	2021/22	2020/21	% Change
FINANCIAL STATISTICS [R1]			
Financial Results ($ million)			
Revenue	**566.1**	443.0	+ 27.8
Expenditure	**587.9**	468.0	+ 25.6
Operating loss	**(21.8)**	(25.0)	+ 12.8
Profit/(loss) before taxation	**49.2**	(35.6)	n.m.
Profit/(loss) attributable to owners of the parent	**67.6**	(11.2)	n.m.
Financial Position ($ million)			
Equity attributable to owners of the parent	**1,610.7**	1,533.6	+ 5.0
Total assets	**1,838.2**	1,809.8	+ 1.6
Return on equity holders' funds (%) [R2]	**4.3**	(0.7)	+ 5.0 pts
Value added ($ million)	**397.2**	247.5	+ 60.5
Per Share Data (cents)			
Earnings/(loss) – basic [R3]	**6.02**	(1.00)	n.m.
Earnings/(loss) – diluted [R4]	**6.00**	(1.00)	n.m.
Net asset value [R5]	**143.5**	136.8	+ 4.9
Dividends (cents per share)			
Interim dividend	**–**	–	–
Final dividend	**–**	–	–
PRODUCTIVITY AND EMPLOYEE DATA			
Average number of employees	**5,476**	6,253	– 12.4
Revenue per employee ($)	**103,376**	70,845	+ 45.9
Value added per employee ($)	**72,548**	39,583	+ 83.3
Staff costs per employee ($) [R6]	**64,659**	56,413	+ 14.6

n.m. – not meaningful

Notes:

R1 SIA Engineering Company's financial year is from 1 April to 31 March. Throughout this report, all financial figures are in Singapore Dollars, unless stated otherwise.

R2 Return on equity holders' funds is the profit attributable to owners of the parent expressed as a percentage of the average equity attributable to owners of the parent.

R3 Earnings/(loss) per share (basic) is computed by dividing the profit/(loss) attributable to owners of the parent by the weighted average number of ordinary shares in issue excluding treasury shares.

R4 Earnings/(loss) per share (diluted) is computed by dividing the profit/(loss) attributable to owners of the parent by the weighted average number of ordinary shares in issue excluding treasury shares, after adjusting for the dilutive effect on the vesting of all outstanding performance shares, restricted shares and deferred shares granted to employees. In the prior year, the potential ordinary shares from the Company's share-based incentive plans were excluded from the diluted weighted average number of ordinary shares calculation as the conversion to ordinary shares would decrease loss per share. As such, the effect was considered anti-dilutive.

R5 Net asset value per share is computed by dividing the equity attributable to owners of the parent by the number of ordinary shares in issue excluding treasury shares at 31 March.

R6 Staff costs excluding wage support from government support schemes.

FINANCIAL CONTENTS

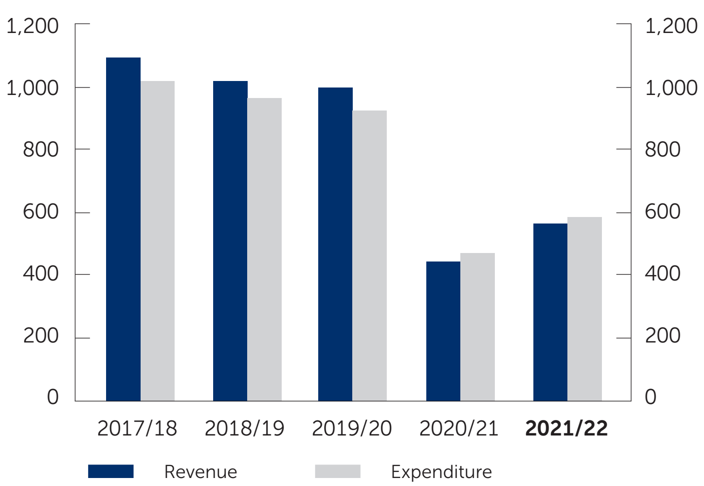
EARNINGS

Group revenue at $566.1 million was $123.1 million (+27.8%) higher than last year. Expenditure increased $119.9 million (+25.6%) year-on-year to $587.9 million, mainly due to lower government wage support and increase in payroll costs. Operating loss of $21.8 million was an improvement of $3.2 million as compared to the operating loss of $25.0 million last year.

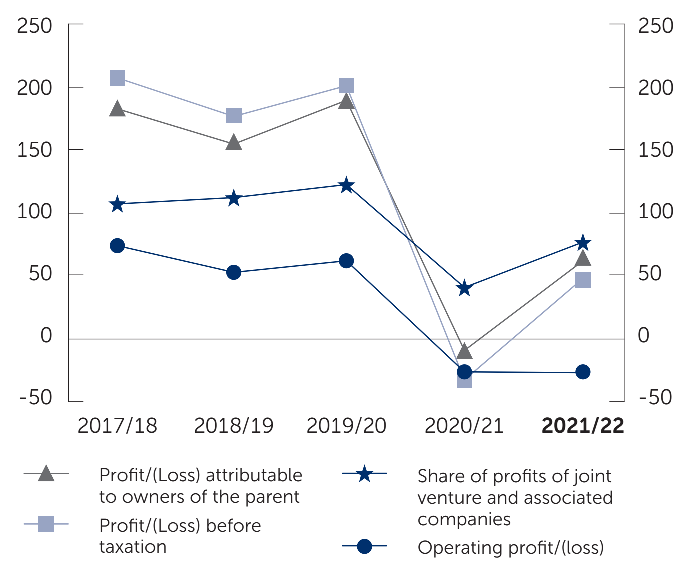
The Group posted a profit attributable to owners of the parent of $67.6 million, as compared to the loss of $11.2 million recorded in 2020/21.

Basic earnings per share for the Group stood at 6.02 cent, as compared to the basic loss per share of 1.00 cent last year.

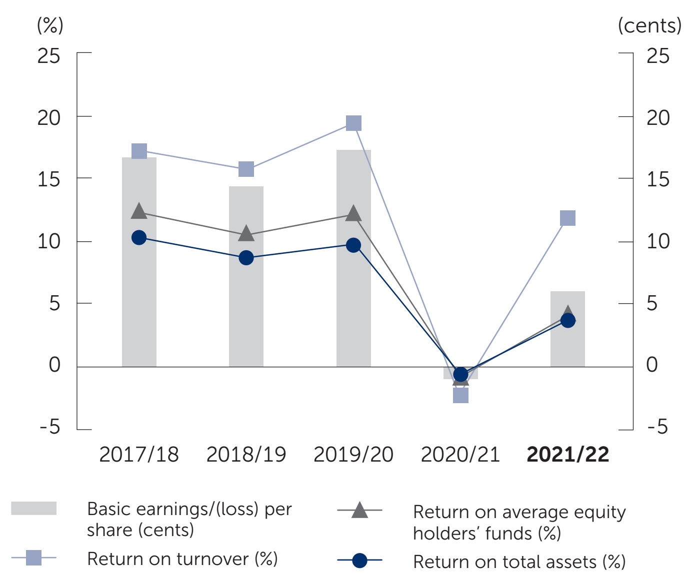
GROUP REVENUE AND EXPENDITURE
($ million)



GROUP OPERATING PROFIT, PROFIT BEFORE TAXATION AND PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT
($ million)



GROUP PROFITABILITY RATIOS



Profitability ratios of the Group are as follows:

	2021/22 %	2020/21 %	Change % points
Return on turnover	**11.9**	(2.5)	n.m.
Return on average equity holders' funds	**4.3**	(0.7)	n.m.
Return on total assets	**3.7**	(0.6)	n.m.

n.m. – not meaningful

FINANCIAL REVIEW

REVENUE *

The Group's revenue composition is as follows:

	2021/22 $ million	2020/21 $ million	Change $ million	%
Airframe and line maintenance				
– Airframe overhaul and line maintenance	**481.3**	376.7	+ 104.6	+ 27.8
– Fleet management programme	**52.7**	51.6	+ 1.1	+ 2.1
	534.0	428.3	+ 105.7	+ 24.7
Engine and component	**32.1**	14.7	+ 17.4	+ 118.4
Total	**566.1**	443.0	+ 123.1	+ 27.8

Revenue increased $123.1 million (+27.8%) to $566.1 million. All business segments showed improvement during the year due to higher number of flights handled and more checks completed. Fleet management revenue was impacted by retirement of customers' aircraft.

Increase for the engine and component segment is partly due to revenue from the newly formed Engine Services division and partly due to higher demand recovery as overhaul cycles are partially time-based.

* Revenue from Company and subsidiary companies. Please refer to Note 37 Segment Information of the Financial Statements for the group revenue inclusive of revenue of joint venture and associated companies.

EXPENDITURE

A breakdown of the Group's expenditure is as follows:

	2021/22 $ million	2020/21 $ million	Change $ million	%
Staff costs	**282.1**	209.0	+ 73.1	+ 35.0
Material costs	**80.8**	60.5	+ 20.3	+ 33.6
Subcontract costs	**54.0**	33.0	+ 21.0	+ 63.6
Overheads	**171.0**	165.5	+ 5.5	+ 3.3
Total	**587.9**	468.0	+ 119.9	+ 25.6

Expenditure increased $119.9 million or 25.6%. This is mainly due to reduction in grants from government support schemes; most significantly, the Jobs Support Scheme (JSS), which the Group accounted for as an offset against Staff costs. Excluding grants from government support schemes, staff costs would have increased $2.8 million or 0.8%. Material and subcontract costs increased in line with higher workload. Overheads were higher mainly due to lower discount for office rental, absence of property tax rebate, higher equipment maintenance and running costs and higher other operating costs. This was partially offset by favourable exchange movements and lower depreciation.

OPERATING LOSS

The Group's operating loss by segment is as follows:

	2021/22 $ million	2020/21 $ million	Change $ million	%
Airframe and line maintenance	**(9.1)**	(20.8)	+ 11.7	+ 56.3
Engine and component	**(12.7)**	(4.2)	– 8.5	– 202.4
Total	**(21.8)**	(25.0)	+ 3.2	+ 12.8

Losses from the airframe and line maintenance segment decreased as the revenue increase from flight recovery outweighed cost increase. Losses in the engine and component segment increased mainly due to the newly set-up Engine Services division and losses from the Group's share in engine programme.

SHARE OF PROFITS OF ASSOCIATED AND JOINT VENTURE COMPANIES

Share of profits of associated and joint venture companies at $79.1 million was $39.2 million (+98.2%) higher year-on-year, with a positive contribution of $89.8 million from the engine and component segment and a negative contribution of $10.7 million from the airframe and line maintenance segment. The improvement was largely due to a one-time writeback of tax provisions by certain associated companies, compared to a one-time tax charge booked last year.

Eagle Services Asia (ESA)'s engine shipments were 151 in 2021/22, compared with 149 in 2020/21.

Singapore Aero Engine Services (SAESL)'s engine shipments were 198 in 2021/22, compared with 178 in 2020/21.

TAXATION

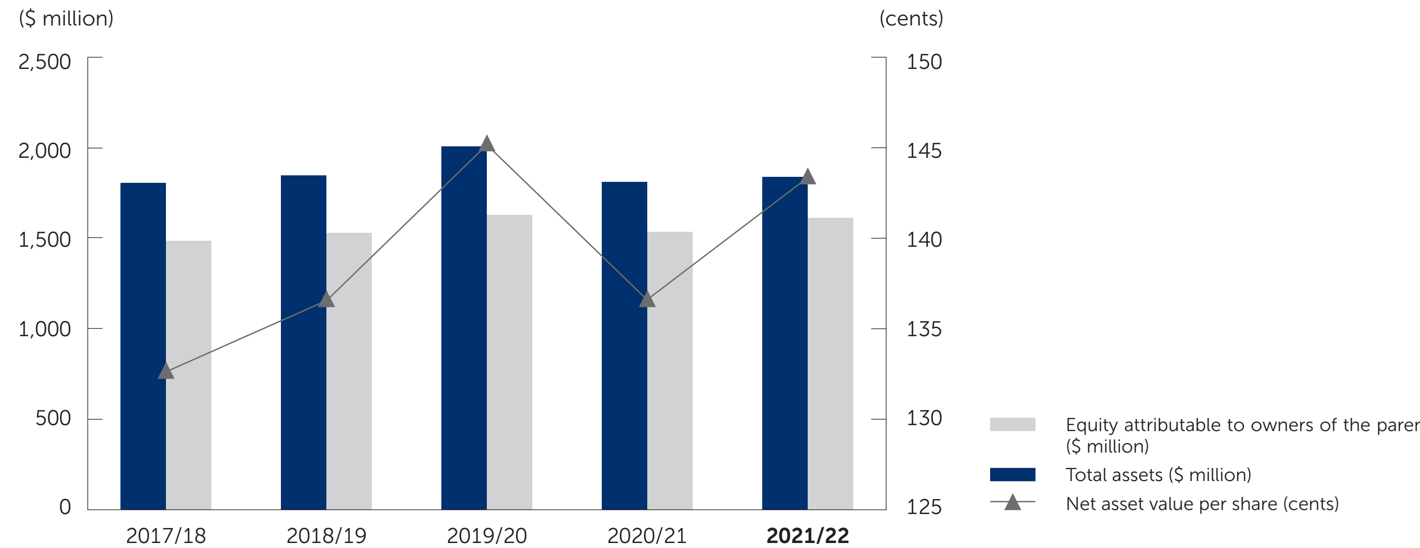
The Group recorded a tax credit of $18.6 million for the financial year 2021/22 and tax credit of $16.0 million in the prior year.

FINANCIAL POSITION

As at 31 March 2022, equity attributable to owners of the parent of $1,610.7 million was $77.1 million or 5.0% higher than at 31 March 2021. The increase was mainly due to profits earned for the financial year.

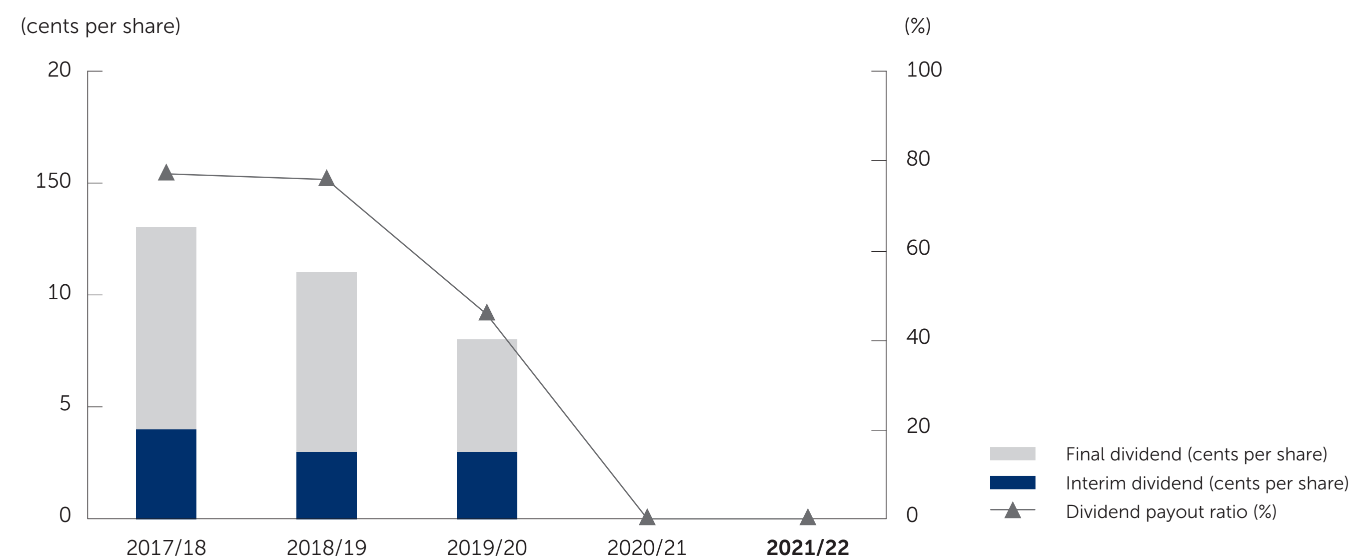
Total assets stood at $1,838.2 million as of 31 March 2022, an increase of $28.4 million (+1.6%). The Group's cash balance stands at $625.5 million as of 31 March 2022, an increase of $9.5 million (+1.5%), with low borrowings. Net asset value per share as at 31 March 2022 was 143.5 cents, an increase of 6.7 cents or 4.9%.

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT, TOTAL ASSETS AND NET ASSET VALUE PER SHARE



DIVIDENDS

The Group continued to receive substantial government wage support during the financial year, without which the Group would have reported a loss. While flight activities are showing clear signs of recovery, they remained low against pre-pandemic levels. Against a backdrop of geopolitical tensions and continuing threat of rising infection in some countries and new variants emerging, there are significant risks to the pace of recovery. In view of the foregoing, the Board did not recommend any dividend payout for 2021/2022.

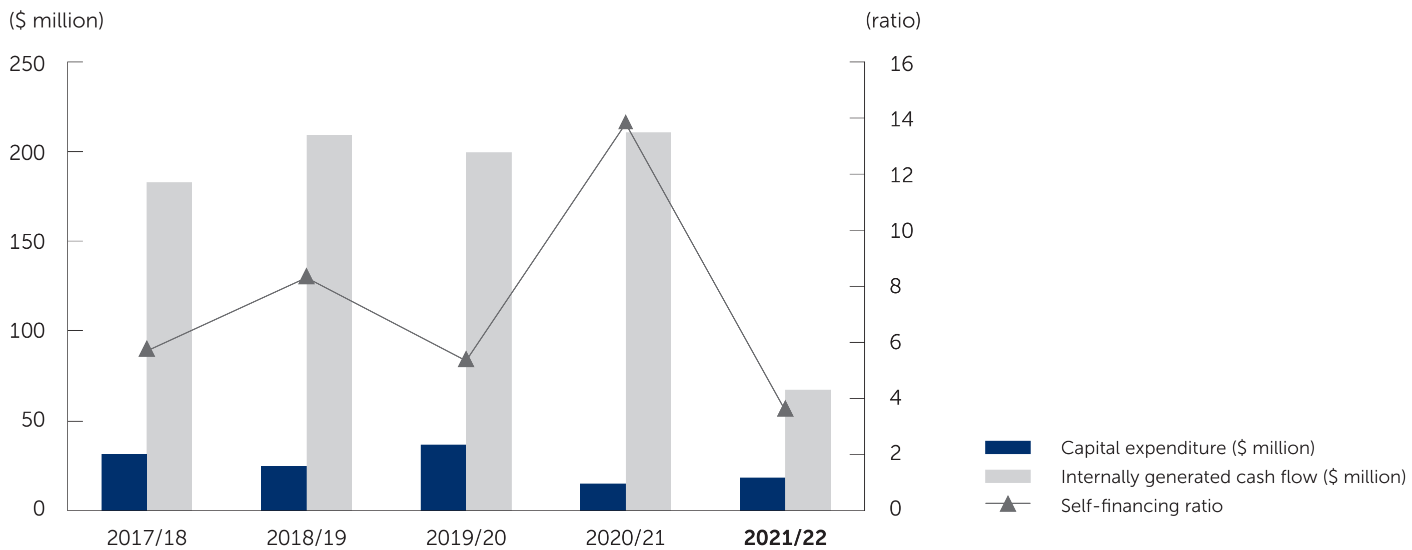


CAPITAL EXPENDITURE AND CASH FLOW

Capital expenditure by the Group increased by $3.2 million (+21.1%) to $18.4 million in 2021/22. Approximately 17% of the expenditure was spent on plant, equipment and tooling projects, while 3% was on office equipment.

Including grants received from government, internally generated cash flow decreased $143.2 million (-68.0%) to $67.4 million. The self-financing ratio of cash flow to capital expenditure was 3.7 times, compared to 13.9 times in the year before.

CAPITAL EXPENDITURE, INTERNALLY GENERATED CASH FLOW AND SELF-FINANCING RATIO



STAFF STRENGTH AND INDICES

The Group's average staff strength and staff productivity are as follows:

	2021/22	2020/21	% change
Revenue per employee ($)	**103,376**	70,845	+ 45.9
Value added per employee ($)	**72,548**	39,583	+ 83.3
Staff costs per employee ($)*	**64,659**	56,413	+ 14.6
Average number of employees	**5,476**	6,253	– 12.4

* Staff costs excluding wage support from government support schemes

FINANCIAL REVIEW

STATEMENT OF VALUE ADDED AND ITS DISTRIBUTION (IN $ MILLION)

	2021/22	2020/21
Revenue	**566.1**	443.0
Less:		
Purchase of goods and services	**(242.5)**	(187.8)
Value added on operations	**323.6**	255.2
Add:		
Interest income	**1.8**	3.9
Surplus/(Loss) on disposal of property, plant and equipment and intangible assets	**0.7**	(5.0)
Surplus on disposal of a subsidiary company	**–**	2.0
Surplus on disposal of associated company	**2.6**	–
Impairment of associated companies	**(2.1)**	(0.2)
Impairment of non-financial assets	**(8.4)**	(48.3)
Share of profits of associated and joint venture companies, net of tax	**79.1**	39.9
Total value added available for distribution	**397.3**	247.5
Applied as follows:		
To employees		
– Salaries and other staff costs*	**354.0**	352.8
To government		
– Corporate taxes	**(0.3)**	2.2
– Wage support from government support schemes	**(71.9)**	(143.8)
To suppliers of capital		
– Interest charges	**2.6**	2.9
– Non-controlling interests	**0.2**	(8.4)
Retained for future capital requirements		
– Depreciation	**59.8**	67.8
– Amortisation of intangibles	**3.5**	3.4
– Retained profit/(losses)	**49.4**	(29.4)
Total value added	**397.3**	247.5
Value added per $ revenue ($)	**0.70**	0.56
Value added per $ employment cost* ($)	**1.12**	0.70
Value added per $ investment in property, plant and equipment ($)	**0.53**	0.33

* Staff costs excluding wage support from government support schemes

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

In our opinion:

(a) the financial statements set out on pages 105 to 199 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 March 2022, and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS"); 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:

Tang Kin Fei	Chairman (Independent)
Goh Choon Phong	(Non-independent)
Ng Chin Hwee	(Non-independent, Chief Executive Officer)
Christina Hon Kwee Fong (Christina Ong)	(Independent)
Raj Thampuran	(Independent)
Wee Siew Kim	(Independent)
Mak Swee Wah	(Non-independent)
Chin Yau Seng	(Non-independent)
Chua Bin Hwee	(Independent)
Lim Kong Puay	(Independent, from 1 August 2021)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangements to which the Company was a party, whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed under "Directors' Interests in Ordinary Shares and Debentures" and "Equity Compensation Plans of the Company" in this statement. Directors of the Company who are employees of the Company's immediate holding company, Singapore Airlines Limited ("SIA"), or its subsidiaries, also participate in SIA's Equity Compensation Plans, as disclosed in this statement.

3. DIRECTORS' INTERESTS IN ORDINARY 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 Companies Act 1967 (the "Act"), interests (direct and deemed) in the following ordinary shares, awards and debentures of the Company and of related corporations:

	Direct interest		Deemed interest	
Name of Director	1.4.2021/ date of appointment	31.3.2022	1.4.2021/ date of appointment	31.3.2022
Interest in Singapore Airlines Limited				
Ordinary shares				
Goh Choon Phong	3,074,209	3,408,955	–	–
Ng Chin Hwee	874,164	957,642	–	–
Manohar Khiatani	–	–	10,000[1]	10,000[1]
Mak Swee Wah	850,961	1,001,974	–	–
Chin Yau Seng	149,946	232,360	–	–
Chua Bin Hwee	–	–	74,000	30,000
Conditional award of Restricted Share Plan ("RSP") shares[2]				
Goh Choon Phong				
– Base Awards	106,000	102,850	–	–
– Final Awards (Pending Release)	51,669	77,792	–	–
Ng Chin Hwee				
– Final Awards (Pending Release)	25,294	6,472	–	–
Mak Swee Wah				
– Base Awards	51,000	51,425	–	–
– Final Awards (Pending Release)	25,294	37,412	–	–
Chin Yau Seng				
– Base Awards	25,900	38,160	–	–
– Final Awards (Pending Release)	17,381	20,389	–	–
Conditional award of Performance Share Plan ("PSP") shares[3]				
Goh Choon Phong				
– Base Awards	386,927	424,110	–	–
Ng Chin Hwee				
– Base Awards	103,609	56,772	–	–
Mak Swee Wah				
– Base Awards	160,609	176,625	–	–
Chin Yau Seng				
– Base Awards	65,018	79,208	–	–
Conditional award of deferred restricted shares[4]				
Goh Choon Phong				
– Base Awards	33,113	–	–	–
Ng Chin Hwee				
– Base Awards	15,456	–	–	–
Mak Swee Wah				
– Base Awards	15,456	–	–	–
Chin Yau Seng				
– Base Awards	8,842	–	–	–

3. DIRECTORS' INTERESTS IN ORDINARY SHARES, SHARE OPTIONS AND DEBENTURES (continued)

Name of Director	Direct interest 1.4.2021/ date of appointment	Direct interest 31.3.2022	Deemed interest 1.4.2021/ date of appointment	Deemed interest 31.3.2022
Interest in Singapore Airlines Limited				
Conditional award of transformation restricted shares[5]				
Goh Choon Phong				
– Final Awards (Pending Release)	29,451	–	–	–
Ng Chin Hwee				
– Final Awards (Pending Release)	38,000	13,500	–	–
Mak Swee Wah				
– Final Awards (Pending Release)	11,000	–	–	–
Chin Yau Seng				
– Final Awards (Pending Release)	6,280	–	–	–
Conditional award of Strategic restricted shares[6]				
Goh Choon Phong				
– Final Awards (Pending Release)	93,350	123,225	–	–
Mak Swee Wah				
– Final Awards (Pending Release)	43,550	57,475	–	–
Chin Yau Seng				
– Final Awards (Pending Release)	24,900	32,850	–	–
$600 million 3.16% Notes due 2023				
Tang Kin Fei	$250,000	$250,000	–	–
2020 S$3.496 billion Mandatory Convertible Bonds due 2030				
Ng Chin Hwee	$80,000	$80,000	–	–
2021 S$6.196 billion Mandatory Convertible Bonds due 2030				
Goh Choon Phong	–	$500,000	–	–
Interest in SIA Engineering Company Limited				
Ordinary shares				
Tang Kin Fei	–	–	20,000	20,000
Ng Chin Hwee	10,000[7]	65,400[7]	–	–
Conditional award of RSP shares[1]				
Ng Chin Hwee				
– Base Awards	174,800	142,800	–	–
– Final Awards (Pending Release)	–	110,660	–	–
Conditional award of PSP shares[2]				
Ng Chin Hwee				
– Base Awards	218,800	354,800	–	–
Conditional award of deferred restricted shares[8]				
Ng Chin Hwee				
– Base Awards	–	122,970	–	–

3. DIRECTORS' INTERESTS IN ORDINARY SHARES, SHARE OPTIONS AND DEBENTURES (continued)

Name of Director	Direct interest 1.4.2021/ date of appointment	Direct interest 31.3.2022	Deemed interest 1.4.2021/ date of appointment	Deemed interest 31.3.2022
Interest in Singapore Telecommunications Limited				
Ordinary shares				
Tang Kin Fei	30,190	30,190	190	190
Goh Choon Phong	1,610	1,610	–	–
Ng Chin Hwee	2,840	2,840	1,360	1,360
Chew Teck Soon	60,190[9]	60,190[9]	–	–
Raj Thampuran	600	600	–	–
Wee Siew Kim	501,838	501,838	190	190
Mak Swee Wah	1,550	1,550	1,180	1,180
Chin Yau Seng	–	100,000	–	–
Chua Bin Hwee	160,000	–	–	–
Lim Kong Puay	15,000	15,000	–	–
Interest in Singapore Technologies Engineering Limited				
Ordinary shares				
Tang Kin Fei	100,000	100,000	50,000	50,000
Goh Choon Phong	6,000	6,000	–	–
Chew Teck Soon	4,000[9]	4,000[9]	–	–
Christina Ong	1	1	–	–
Interest in Olam International Limited				
Ordinary shares				
Ng Chin Hwee	2,000	2,000	–	–
Interest in Mapletree Australia Commercial Private Trust				
Units in Stapled Securities				
Mapletree QL Trust				
Chua Bin Hwee	75,000	75,000	–	–
Mapletree ROA Trust				
Chua Bin Hwee	375,000	375,000	–	–
Interest in Mapletree Commercial Trust				
Units				
Ng Chin Hwee	48,800	48,800	–	–
Chew Teck Soon	20,000[9]	20,000[9]	–	–
Wee Siew Kim	45,312	45,312	–	–
Interest in Mapletree Europe Income Trust				
Units				
Christina Ong	394	394	–	–
Ng Chin Hwee	591	591	–	–
Interest in Mapletree Global Student Accommodation Private Trust				
Units				
Class A (USD)				
Goh Choon Phong	4,823	4,823	–	–
Ng Chin Hwee	1,600	1,600	–	–
Class B (GBP)				
Goh Choon Phong	4,823	4,823	–	–
Ng Chin Hwee	1,600	1,600	–	–

3. **DIRECTORS' INTERESTS IN ORDINARY SHARES, SHARE OPTIONS AND DEBENTURES (continued)**

Name of Director	Direct interest 1.4.2021/ date of appointment	Direct interest 31.3.2022	Deemed interest 1.4.2021/ date of appointment	Deemed interest 31.3.2022
Interest in Mapletree Industrial Trust				
Units				
Tang Kin Fei	50,000	50,000	–	–
Christina Ong	–	37,700	–	–
Wee Siew Kim	–	74,400	–	–
Ng Chin Hwee	18,100	70,200	–	–
Interest in Mapletree Logistics Trust				
Units				
Tang Kin Fei	40,000	40,000	–	–
Chew Teck Soon	10,000[9]	10,370[9]	–	–
Christina Ong	–	125,100		
Ng Chin Hwee	4,600	7,500	–	–
Interest in Mapletree North Asia Commercial Trust				
Units				
Lim Kong Puay	20,000	20,000	–	–
Interest in Mapletree Treasury Services Limited				
$700 million 3.95% Perpetual Bonds				
Tang Kin Fei	$500,000	$500,000	–	–
Interest in Mapletree US & EU Logistics Private Trust				
Units				
(USD)				
Ng Chin Hwee	185	185	–	–
Christina Ong	185	185	–	–
Wee Siew Kim	300	300	–	–
Chua Bin Hwee	200	200	–	–
(EUR)				
Ng Chin Hwee	185	185	–	–
Christina Ong	185	185	–	–
Wee Siew Kim	300	300	–	–
Chua Bin Hwee	200	200	–	–
Interest in Mapletree US Income Commercial Trust				
Units				
Christina Ong	–	453	–	–
Chua Bin Hwee	–	150	–	–
Interest in Mapletree US Logistics Private Trust				
Units				
Christina Ong	–	179	–	–
Chua Bin Hwee	–	100	–	–
Interest in Ascendas Real Estate Investment Trust				
Units				
Chew Teck Soon	46,400[9]	46,400[9]	–	–

3. **DIRECTORS' INTERESTS IN ORDINARY SHARES, SHARE OPTIONS AND DEBENTURES (continued)**

Name of Director	Direct interest 1.4.2021/ date of appointment	Direct interest 31.3.2022	Deemed interest 1.4.2021/ date of appointment	Deemed interest 31.3.2022
Interest in StarHub Ltd				
Ordinary shares				
Chew Teck Soon	13,000[9]	13,000[9]	–	–
Wee Siew Kim	72,600	72,600	–	–
Interest in Astrea IV Pte. Ltd.				
$242 million Class A-1 4.35% Secured Fixed Rate Bonds due 2028				
Chin Yau Seng	$133,000	$133,000	–	–
Interest in Astrea V Pte. Ltd.				
$315 million Class A-1 3.85% Secured Fixed Rate Bonds due 2029				
Ng Chin Hwee	$5,000	$5,000	–	–
US$140 million Class B 5.75% Secured Fixed Rate Bonds due 2029				
Ng Chin Hwee	US$200,000	US$200,000	–	–
Interest in Astrea VI Pte. Ltd.				
US$200,000 Class B 4.35% Secured Fixed Rate Bonds due 2031				
Ng Chin Hwee	US$200,000	US$200,000	–	–
Interest in Temasek Financial (IV) Private Limited				
$500 million 2.7% Notes due 2023				
Chew Teck Soon	$6,000	$6,000	–	–
Lim Kong Puay	$7,000	$7,000	–	–
Ascott Residence Trust				
Units				
Manohar Khiatani	82,498	82,498	–	–
Interest in CapitaLand Limited[10]				
Ordinary shares				
Goh Choon Phong	35,000	–	–	–
Manohar Khiatani	92,743	–	40,000[11]	–
Chew Teck Soon	4,500[9]	–	–	–
Ng Chin Hwee	5,000	–	–	–
Lim Kong Puay	10,000	–	–	–
Unvested Restricted shares to be delivered after 2019				
Manohar Khiatani	36,583	–	–	–
Unvested Restricted shares to be delivered after 2020				
Manohar Khiatani	35,988	–	–	–
Contingent award of Performance shares to be delivered after 2021				
Manohar Khiatani (88,039 shares)	0 to 176,078	–	–	–
Contingent award of Performance shares to be delivered after 2022				
Manohar Khiatani (40,485 shares)	0 to 80,970	–	–	–

3. DIRECTORS' INTERESTS IN ORDINARY SHARES, SHARE OPTIONS AND DEBENTURES (continued)

Name of Director	Direct interest 1.4.2021/ date of appointment	Direct interest 31.3.2022	Deemed interest 1.4.2021/ date of appointment	Deemed interest 31.3.2022
Interest in CapitaLand Investment Limited				
Ordinary shares				
Goh Choon Phong	–	35,000	–	–
Manohar Khiatani	–	327,587	–	140,000[11]
Chew Teck Soon	–	4,500[9]	–	–
Ng Chin Hwee	–	7,000	–	–
Rights for shares under Performance Share Plan 2021				
– Replacement Awards	–	250,341	–	–
– Special Contingent Awards	–	177,116	–	–
Interest in CapitaLand Integrated Commercial Trust				
Units				
Goh Choon Phong	4,824	10,237	–	–
Manohar Khiatani	21,600	35,944	61,600[11]	67,786[11]
Chew Teck Soon	–	696[9]	–	–
Ng Chin Hwee	–	1,082	–	–
Chua Bin Hwee	61,050[12]	62,250[12]	–	–
Interest in CapitaLand China Trust				
Units				
Ng Chin Hwee	–	77,300	–	–
Interest in Sembcorp Marine Ltd[13]				
Ordinary shares				
Tang Kin Fei	–	43,820,281[14]	–	–
Chew Teck Soon	–	99[9]	–	–
Ng Chin Hwee	–	87,723	–	–
Lim Kong Puay	–	429,712	–	–

Notes:
1. Held in the name of DBS Trustee Limited.
2. The actual number of RSP Final Awards of fully paid ordinary shares will range from 0% to 150% of the Base Awards and is contingent on the achievements against targets over the one-year performance period relating to the relevant awards.
3. 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.
4. The Deferred Share Award 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.
5. The Transformation Share Award of fully-paid ordinary shares will partially vest after a one-year performance period commencing from the date of 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 vesting date, an additional kicker equivalent to 20% of the Final Awards will be settled with the participants.
6. The Final Strategic Award of fully-paid ordinary shares will vest over two years with 50% vesting immediately upon the date of grant, and the balance at 25% over the next 2 years. On the final vesting date, an additional equity kicker equivalent to 20% of the Final Award will be settled with the participants.
7. 10,000 ordinary shares are held in the name of DBS Nominees (Private) Limited.
8. The Deferred Share Award 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 SIAEC share dividend yields declared with ex-dividend dates occurring during the vesting period) will vest.
9. Held in the name of DBS Nominees (Private) Limited.
10. Pursuant to the scheme of arrangement undertaken by CapitaLand Limited ("CL") and CLA Real Estate Holdings Pte. Ltd. ("CLA") during the financial year, the consideration received by each CL shareholder (excluding CLA) comprised 1 share in CapitaLand Investment Limited, 0.154672686 units in CapitaLand Integrated Commercial Trust and S$0.951 in cash. CL was then delisted.

3. DIRECTORS' INTERESTS IN ORDINARY SHARES, SHARE OPTIONS AND DEBENTURES (continued)

Notes (continued):
11. Held jointly with spouse in the name of DBS Nominees (Private) Limited.
12. Held in the name of Citibank Nominees Singapore Pte Ltd.
13. Sembcorp Marine Ltd became a related corporation during the financial year.
14. Of the 43,820,281 shares in Sembcorp Marine Ltd, 38,527,500 shares are held in the name of DBS Nominees (Private) Limited and 4,911,000 are held in the name of UBS Singapore Nominees Pte Ltd.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in ordinary shares or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2022.

4. EQUITY COMPENSATION PLANS OF THE COMPANY

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

At the date of this statement, the Compensation & HR Committee administering the RSP and PSP comprises the following directors:

Tang Kin Fei – Chairman
Goh Choon Phong
Wee Siew Kim

Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

Details of the RSP and PSP are disclosed in Note 12 to the financial statements.

At the Extraordinary General Meeting of the Company held on 21 July 2014, shareholders approved the adoption of the SIAEC RSP 2014 and SIAEC PSP 2014.

Under the RSP and PSP, a base number of conditional share awards ("Base Award") is granted to eligible participants annually, dependent on position level and individual performance. Depending on the achievement of pre-determined targets over a one-year performance period for the RSP and a three-year performance period for the PSP, the Compensation & HR Committee will determine an achievement factor which will then be applied to the Base Award to determine the final number of RSP shares and PSP shares to be awarded at the end of the respective performance periods ("Final Award"). The achievement factor could range from 0% to 150% for the RSP and from 0% to 200% for the PSP.

One-third of the RSP Final Awards of fully paid ordinary shares will be released to the participants upon vesting. The balance will be released equally over the subsequent two years with fulfilment of service requirements. All the PSP Final Awards of fully paid ordinary shares will be released to the participants at the end of the three-year performance period.

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

Deferred Share Awards ("DSA")

As part of the Strategic Transformational Incentive Plan ("STIP"), the DSA is a share award established with the objective of rewarding, motivating and retaining Key Executives who are responsible for strategic and transformational initiatives. The DSA is granted as a contingent share award under the RSP 2014. The final award, which includes the accumulated dividend yield (based on the sum of SIAEC share dividend yields declared with ex-dividend dates occurring during the vesting period), will cliff vest at the end of three years after the grant date, subject to meeting a service-based condition, and provided that individual performance remains satisfactory.

5. **AUDIT COMMITTEE**

At the date of this statement, the Audit Committee comprises the following five non-executive directors, four of whom are independent directors:

Chua Bin Hwee – Chairman
Christina Ong
Raj Thampuran
Chin Yau Seng
Lim Kong Puay (appointed on 1 May 2022)

The Audit Committee performed its functions in accordance with Section 201B(5) of the Companies Act 1967, 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 submission to the directors of the Company 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 and information technology controls;
(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.

The Audit Committee has held 4 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 ("CSA") System developed. 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 and subsidiaries, we have complied with Rules 712 and 716 of the SGX-ST Listing Manual.

DIRECTORS' STATEMENT

6. **AUDITORS**

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

On behalf of the Board,

TANG KIN FEI
Chairman

NG CHIN HWEE
Chief Executive Officer

5 May 2022

MEMBERS OF THE COMPANY
SIA ENGINEERING COMPANY LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SIA Engineering Company Limited (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2022, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows of the Group, and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 105 to 199.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and the consolidated financial performance, consolidated changes in equity of the Group, changes in equity of the Company and consolidated cash flows of the Group 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 ("ACRA") *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.

Impairment risk on property, plant and equipment and right-of-use assets (collectively "PPE") and intangible assets

Refer to Note 2 'Business impact and financial implications of the COVID-19 pandemic', Note 3(l) 'Impairment of non-financial assets' and Note 4 'Significant accounting estimates and critical judgements' together with the relevant accounting policies.

Risk	Our response
During the financial year, the economic performance of the airframe maintenance, repair and component overhaul ("MRO") businesses and other related businesses continued to be impacted by the COVID-19 pandemic. Accordingly, there are indications that the PPE deployed across the Base Maintenance, Line Maintenance, Fleet Management units, and intangible assets from the Group's participative right in Engine Development Programme (collectively, the "Cash-generating units" or "CGUs") may be impaired. The value-in-use assessments require significant estimates and assumptions to be made in determining the recoverable amounts for the CGUs. In particular, the duration and pace of recovery from the global pandemic are inherently difficult to assess and involve a high degree of uncertainty. **<u>Airframe and Line Maintenance</u>** Airframe Maintenance – Management's value-in-use computation assumed gradual recovery of base maintenance work volumes at the hangars and increased margins through progressive implementation of transformation initiatives. The recoverable amount estimated supports the carrying value of the PPE, net of accumulated impairment loss (as brought forward from the previous year). Whilst no additional impairment loss was considered for the current year, Management has observed the sensitivity analysis for recoverable amount from risk of forecasting errors. Line Maintenance – No impairment loss on PPE was considered necessary by Management on the basis of lifting of international travel restrictions with flights gradually returning. Fleet Management – No impairment loss on PPE was considered necessary since individual customer contracts were forecast to be profitable. Certain aircraft rotables that have been classified as assets held for sale, however, saw further write-downs to their expected scrap values following difficulty in selling these rotables caused by reduced demand from accelerated retirement of certain aircraft types. **<u>Intangible assets – Deferred engine development costs</u>** The Group has a participative right in an Engine Development Programme with Pratt and Whitney under the PurePower PW1000G Risk Revenue Sharing Programmes. With the engine sales continuing to deliver as planned, no impairment loss was considered necessary by Management	We assessed the appropriateness of the identified CGUs and related non-financial assets. We reviewed the basis and methodology used to derive the recoverable amounts of the CGUs. We held discussions with senior management to understand the assumptions underpinning the assessment of the recoverable amounts of the CGUs. These assumptions include timing of recovery of flight operations and work volume of MRO activities in future periods, operating costs, discount rates, as well as productivity gain and cost synergies from transformation programmes implemented by the Group. We evaluated these assumptions by comparing them to past historical performance and productivity and cost initiatives implemented, together with publicly available industry reports on industry outlook and other market data relevant to the aviation and MRO sectors. We stress-tested Management's key assumptions by including additional scenarios more severe than those projected by Management. We considered the appropriateness of disclosures in the financial statements.

Findings

The Group has a process of identifying and reviewing the CGUs for impairment testing. We found the key assumptions applied by Management in the cash flow forecasts, in particular, the recovery of flight operations, work volume of MRO activities and discount rates to be reasonable and consistent with corroborative market evidence. Our independent stress-test outcomes were not contradictory with the overall conclusion reached by Management. We also found disclosures in the financial statements to be appropriate.

Impairment risk on investments in subsidiaries, associated and joint venture companies

Refer to Note 3(l) 'Impairment of non-financial assets', Note 4 'Significant accounting estimates and critical judgements', Notes 19 and 20 – Investments in Subsidiaries and Associated companies, together with the relevant accounting policies.

Risk	Our response
The Company holds significant strategic investments with original equipment manufacturers and airlines through joint formation as subsidiaries, associated or joint venture companies. The COVID-19 pandemic continued to cause disruption to some of these strategic investments. The Company closely monitors the economic performance and valuation of its investments. Such an assessment involves high degree of judgement and use of estimates. During the year, an associate planned to enter into business restructuring after completing the remaining customer contracts due to continued loss-making position. As a result, the Group recorded additional impairment loss after equity-accounting for this associate; and the Company also recorded additional impairment loss on its investment in the said associate to reflect the estimated realisable value.	We reviewed Management's process for the evaluation of the valuation of its strategic investments. We held discussions with senior management to review the investees' business strategies, operating models, and their economic performance. We evaluated Management assumptions supporting the valuation of investments. We considered the appropriateness of disclosures in the financial statements.

Findings

We found Management's appraisal of the recoverability of the Company's equity investments in subsidiaries, associated and joint venture companies to be appropriate. We also found disclosures in the financial statements to be appropriate.

INDEPENDENT AUDITORS' REPORT

Recognition of revenue on customer contracts

Refer to Note 3(s) 'Revenue' and Note 4 'Significant accounting estimates and critical judgements' together with the relevant accounting policies.

Risk	Our response
The Group's contract revenues are derived mainly from airframe maintenance and component overhaul services, and fleet management (the "MRO Services"). The MRO Services, embedding materials and labour, represent one single performance obligation. Such performance obligation is continuously transferred to customers over time. Revenue is measured using the input method. The input method involves cost and man-hour estimates. Actual man-hours incurred representing revenue may however be subject to negotiation with customers. Variable consideration from variation orders is subject to customer approval.	We tested the controls designed and implemented by the Group over contract evaluation and authorisation, review and approval of project costing, and verification of the input method used to measure revenue. We reviewed the contractual terms of customer contracts to identify performance obligations and assessed how the fair value of revenue has been recognised and measured, including any revenue-constraint applied by Management. We challenged the cost and man-hour estimates used by Management and tested them by reference to historical cost experience of comparable contracts. We also reviewed Management's consistent application of the input method to recognise revenue over time. We verified the data used in the input method and any variable consideration to relevant supporting documents. We assessed the Group's disclosure of the nature, timing and fulfilment of performance obligations, for revenue recognition.

Findings

We found Management's assumptions applied towards estimating revenue to be appropriate.

Risk of counterparty credit default

Refer to Note 2 'Business impact and financial implications of the COVID-19 pandemic' for COVID-19 business impact, Note 3(k)(v) 'Impairment of financial instruments', Note 4 'Significant accounting estimates and critical judgements' together with the relevant accounting policies.

Risk	Our response
The Group's customers are airlines with cash conservation as their top priority. This may limit their ability to pay in a timely manner. Credit-default risk continues to be a concern for counterparties in the aviation and aerospace sectors despite the gradual recovery observed for these sectors. The determination of credit loss allowances on the outstanding trade receivables, including the identification and assessment of which customers are credit-impaired, requires significant judgement. Assumptions applied to estimate the credit loss allowances include customers' historical payment trends, adjusted for current market conditions and forward-looking information.	We reviewed Management's ageing and credit analysis of the Group's trade receivables and contract assets, including the credit-impaired accounts. We assessed the Group's measurement of the expected credit losses. We independently tested Management's allowance loss matrix by age group used for provisioning and cross-checked to probability default factors of individual customers and the aviation sector. We assessed the appropriateness of disclosures.

Findings

The Group has a process for identifying credit-impaired receivables. The expected credit loss allowances created were found to be balanced.

INDEPENDENT AUDITORS' REPORT

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 *FY2021/22 At a Glance, Corporate Profile, Chairman's Statement, Corporate Calendar, Board of Directors, Key Executives, The Year in Review, Business Segments, Corporate Governance, Share Price and Turnover, and Shareholding Statistics* ("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 express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 other sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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.

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

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

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

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 directors, 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 OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditors' report is Kenny Tan Choon Wah.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
5 May 2022

CONSOLIDATED INCOME STATEMENT

For the Financial Year Ended 31 March 2022 (in thousands of $)

		The Group	
	Notes	2021/22	2020/21
REVENUE	5	**566,086**	442,994
EXPENDITURE			
Staff costs	6	**282,145**	208,973
Material costs		**80,792**	60,470
Depreciation	16,17	**59,844**	67,759
Amortisation of intangible assets	18	**3,490**	3,443
Company accommodation		**14,523**	11,742
Subcontract costs		**54,034**	32,952
Other operating expenses		**93,128**	82,618
		587,956	467,957
OPERATING LOSS	7	**(21,870)**	(24,963)
Interest income	8	**1,816**	3,947
Finance charges		**(2,633)**	(2,922)
Surplus/(Loss) on disposal of property, plant and equipment and intangible assets		**687**	(5,007)
Impairment of non-financial assets	16,18	**(8,405)**	(48,297)
Surplus on disposal of a subsidiary company	19	**–**	1,973
Impairment of associated companies	20	**(2,145)**	(206)
Surplus on disposal of associated companies	20	**2,618**	–
Share of profits of associated companies, net of tax		**49,695**	25,734
Share of profits of a joint venture company, net of tax		**29,397**	14,154
PROFIT/(LOSS) BEFORE TAXATION		**49,160**	(35,587)
Taxation	9	**18,611**	16,033
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**67,771**	(19,554)
PROFIT/(LOSS) ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		**67,608**	(11,249)
Non-controlling interests		**163**	(8,305)
		67,771	(19,554)
BASIC EARNINGS/(LOSS) PER SHARE (CENTS)	10	**6.02**	(1.00)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)	10	**6.00**	(1.00)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2022 (in thousands of $)

	The Group	
	2021/22	2020/21
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**67,771**	(19,554)
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		
Item that will not be reclassified to profit or loss:		
Actuarial gain/(loss) on remeasurement of defined benefit plan	**73**	(32)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation of foreign operations	**4,064**	(41,027)
Realisation of foreign currency translation reserve on disposal of a subsidiary company	**–**	(112)
Net fair value adjustment on cash flow hedges	**456**	(2,733)
Share of other comprehensive income of associated/joint venture companies	**1,893**	9,470
	6,413	(34,402)
Other comprehensive income, net of tax	**6,486**	(34,434)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	**74,257**	(53,988)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
OWNERS OF THE PARENT	**74,039**	(44,653)
Non-controlling interests	**218**	(9,335)
	74,257	(53,988)

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

BALANCE SHEETS

As at 31 March 2022 (in thousands of $)

	Notes	The Group		The Company	
		2022	2021	2022	2021
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	12	**420,044**	420,044	**420,044**	420,044
Treasury shares	13	**(5,776)**	(9,769)	**(5,776)**	(9,769)
Capital reserve	14	**1,506**	2,772	**1,506**	2,772
Share-based compensation reserve	14	**5,110**	4,783	**5,110**	4,783
Foreign currency translation reserve	14	**(19,843)**	(23,809)	**–**	–
Fair value reserve	14	**92**	(2,300)	**1,125**	669
Equity transaction reserve	14	**(2,173)**	(2,173)	**–**	–
General reserve	14	**1,211,826**	1,144,145	**796,767**	786,180
		1,610,786	1,533,693	**1,218,776**	1,204,679
NON-CONTROLLING INTERESTS		**10,620**	10,593	**–**	–
TOTAL EQUITY		**1,621,406**	1,544,286	**1,218,776**	1,204,679
NON-CURRENT LIABILITIES					
Deferred tax liabilities	15	**545**	1,209	**–**	1,362
Lease liabilities	31	**38,424**	52,433	**32,721**	45,835
Long-term bank loan	32	**–**	2,785	**–**	–
		38,969	56,427	**32,721**	47,197
		1,660,375	1,600,713	**1,251,497**	1,251,876
Represented by:					
PROPERTY, PLANT AND EQUIPMENT	16	**156,901**	170,132	**120,457**	131,794
RIGHT-OF-USE ASSETS	17	**63,005**	71,317	**56,841**	64,124
INTANGIBLE ASSETS	18	**32,786**	31,680	**11,931**	9,052
SUBSIDIARY COMPANIES	19	**–**	–	**135,090**	126,670
ASSOCIATED COMPANIES	20	**448,469**	431,769	**175,275**	190,567
JOINT VENTURE COMPANY	21	**202,756**	170,220	**61,867**	61,867
DEFERRED TAX ASSETS	15	**17,603**	–	**16,598**	–
PREPAYMENTS	24	**3,891**	8,697	**–**	–
CURRENT ASSETS					
Trade debtors	22	**35,351**	34,817	**24,290**	26,222
Contract assets	23	**124,562**	101,572	**118,770**	93,667
Prepayments and other debtors	24	**36,870**	41,958	**27,320**	33,404
Amounts owing by immediate holding company	25	**36,465**	68,568	**36,130**	68,395
Amounts owing by related parties	26	**20,703**	18,936	**26,790**	28,446
Inventories	27	**32,994**	35,112	**21,140**	24,016
Short-term deposits	28	**584,007**	521,497	**570,081**	508,166
Cash and bank balances	29	**41,470**	94,467	**13,486**	66,465
		912,422	916,927	**838,007**	848,781
Assets held for sale	16	**360**	9,026	**360**	9,026
		912,782	925,953	**838,367**	857,807
Less:					
CURRENT LIABILITIES					
Trade and other creditors	30	**127,897**	156,586	**108,896**	137,472
Contract liabilities	23	**12,703**	11,305	**12,648**	11,089
Lease liabilities	31	**28,507**	21,731	**27,254**	20,411
Amounts owing to related parties	26	**1,456**	2,795	**11,670**	12,679
Bank loans	32	**2,801**	7,130	**–**	–
Tax payable		**4,454**	9,508	**4,461**	8,354
		177,818	209,055	**164,929**	190,005
NET CURRENT ASSETS		**734,964**	716,898	**673,438**	667,802
		1,660,375	1,600,713	**1,251,497**	1,251,876

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2022 (in thousands of $)

	Notes	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Fair value reserve	Equity transaction reserve	General reserve	Total	Non-controlling interests	Total equity
		Attributable to Owners of the Parent										
The Group												
Balance at 1 April 2021		420,044	(9,769)	2,772	4,783	(23,809)	(2,300)	(2,173)	1,144,145	1,533,693	10,593	1,544,286
Profit for the year		–	–	–	–	–	–	–	67,608	67,608	163	67,771
Actuarial gain on remeasurement of defined benefit plan		–	–	–	–	–	–	–	73	73	–	73
Foreign currency translation of foreign operations		–	–	–	–	4,009	–	–	–	4,009	55	4,064
Net fair value adjustment on cash flow hedges		–	–	–	–	–	456	–	–	456	–	456
Share of other comprehensive income of associated/ joint venture companies	14	–	–	–	–	(43)	1,936	–	–	1,893	–	1,893
Other comprehensive income for the year, net of tax		–	–	–	–	3,966	2,392	–	73	6,431	55	6,486
Total comprehensive income for the financial year		–	–	–	–	3,966	2,392	–	67,681	74,039	218	74,257
Capital contribution		–	–	–	–	–	–	–	–	–	200	200
Share-based compensation expense	14	–	–	–	3,054	–	–	–	–	3,054	–	3,054
Share awards released	13,14	–	2,727	–	(2,727)	–	–	–	–	–	–	–
Treasury shares reissued pursuant to equity compensation plans	13	–	1,266	(1,266)	–	–	–	–	–	–	–	–
Dividends	11	–	–	–	–	–	–	–	–	–	(391)	(391)
Total contributions by and distributions to owners		–	3,993	(1,266)	327	–	–	–	–	3,054	(191)	2,863
Balance at 31 March 2022		420,044	(5,776)	1,506	5,110	(19,843)	92	(2,173)	1,211,826	1,610,786	10,620	1,621,406

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2022 (in thousands of $)

		Attributable to Owners of the Parent										
	Notes	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Fair value reserve	Equity transaction reserve	General reserve	Total	Non-controlling interests	Total equity
The Group												
Balance at 1 April 2020		420,044	(13,689)	2,828	5,445	15,964	(8,682)	(4,525)	1,211,431	1,628,816	32,191	1,661,007
Loss for the year		–	–	–	–	–	–	–	(11,249)	(11,249)	(8,305)	(19,554)
Actuarial loss on remeasurement of defined benefit plan		–	–	–	–	–	–	–	(13)	(13)	(19)	(32)
Foreign currency translation of foreign operations		–	–	–	–	(40,016)	–	–	–	(40,016)	(1,011)	(41,027)
Realisation of foreign currency translation reserve on disposal of a subsidiary company	19	–	–	–	–	(112)	–	–	–	(112)	–	(112)
Net fair value adjustment on cash flow hedges		–	–	–	–	–	(2,733)	–	–	(2,733)	–	(2,733)
Share of other comprehensive income of associated/ joint venture companies	14	–	–	–	–	355	9,115	–	–	9,470	–	9,470
Other comprehensive income for the year, net of tax		–	–	–	–	(39,773)	6,382	–	(13)	(33,404)	(1,030)	(34,434)
Total comprehensive income for the financial year		–	–	–	–	(39,773)	6,382	–	(11,262)	(44,653)	(9,335)	(53,988)
Share-based compensation expense	14	–	–	–	3,202	–	–	–	–	3,202	–	3,202
Share awards released	13,14	–	3,864	–	(3,864)	–	–	–	–	–	–	–
Treasury shares reissued pursuant to equity compensation plans	13	–	56	(56)	–	–	–	–	–	–	–	–
Dividends	11	–	–	–	–	–	–	–	(56,070)	(56,070)	(340)	(56,410)
Total contributions by and distributions to owners		–	3,920	(56)	(662)	–	–	–	(56,070)	(52,868)	(340)	(53,208)
Acquisition of non-controlling interests without change in control	19	–	–	–	–	–	–	2,352	–	2,352	(6,433)	(4,081)
Disposal of a subsidiary with non-controlling interests	19	–	–	–	–	–	–	–	46	46	(5,490)	(5,444)
Total changes in ownership interests in subsidiary companies		–	–	–	–	–	–	2,352	46	2,398	(11,923)	(9,525)
Balance at 31 March 2021		420,044	(9,769)	2,772	4,783	(23,809)	(2,300)	(2,173)	1,144,145	1,533,693	10,593	1,544,286

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2022 (in thousands of $)

	Notes	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
The Company								
Balance at 1 April 2021		**420,044**	**(9,769)**	**2,772**	**4,783**	**669**	**786,180**	**1,204,679**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**10,587**	**10,587**
Other comprehensive income for the year, net of tax:								
Net fair value adjustment on cash flow hedges		**–**	**–**	**–**	**–**	**456**	**–**	**456**
Total comprehensive income for the financial year		**–**	**–**	**–**	**–**	**456**	**10,587**	**11,043**
Share-based compensation expense	14	**–**	**–**	**–**	**3,054**	**–**	**–**	**3,054**
Share awards released	13,14	**–**	**2,727**	**–**	**(2,727)**	**–**	**–**	**–**
Treasury shares reissued pursuant to equity compensation plans	13	**–**	**1,266**	**(1,266)**	**–**	**–**	**–**	**–**
Total contributions by and distributions to owners		**–**	**3,993**	**(1,266)**	**327**	**–**	**–**	**3,054**
Balance at 31 March 2022		**420,044**	**(5,776)**	**1,506**	**5,110**	**1,125**	**796,767**	**1,218,776**

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2022 (in thousands of $)

	Notes	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
The Company								
Balance at 1 April 2020		420,044	(13,689)	2,828	5,445	3,402	894,470	1,312,500
Loss for the year		–	–	–	–	–	(52,220)	(52,220)
Other comprehensive income for the year, net of tax:								
Net fair value adjustment on cash flow hedges		–	–	–	–	(2,733)	–	(2,733)
Total comprehensive income for the financial year		–	–	–	–	(2,733)	(52,220)	(54,953)
Share-based compensation expense	14	–	–	–	3,202	–	–	3,202
Share awards released	13,14	–	3,864	–	(3,864)	–	–	–
Treasury shares reissued pursuant to equity compensation plans	13	–	56	(56)	–	–	–	–
Dividends	11	–	–	–	–	–	(56,070)	(56,070)
Total contributions by and distributions to owners		–	3,920	(56)	(662)	–	(56,070)	(52,868)
Balance at 31 March 2021		420,044	(9,769)	2,772	4,783	669	786,180	1,204,679

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 March 2022 (in thousands of $)

	Notes	The Group 2021/22	2020/21
NET CASH PROVIDED BY OPERATING ACTIVITIES	33	**29,200**	165,791
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure	16	**(18,428)**	(15,209)
Purchase of intangible assets	18	**(4,861)**	(5,184)
Proceeds from disposal of property, plant and equipment and intangible assets		**1,572**	2,564
Proceeds from disposal of a subsidiary company, net of cash disposed of		**–**	5,331
Proceeds from disposal of an associated company, net of cash disposed of		**3,814**	–
Dividends received from associated companies		**31,881**	26,552
Dividends received from a joint venture company		**–**	2,900
Interest received from deposits		**1,771**	5,869
NET CASH PROVIDED BY INVESTING ACTIVITIES		**15,749**	22,823
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	11	**–**	(56,070)
Dividends paid by subsidiary companies to non-controlling interests		**(391)**	(340)
Acquisition of non-controlling interests without change in control		**–**	(3,116)
Proceeds from issuance of share capital by a subsidiary company to non-controlling interests		**200**	–
Finance charges paid	33	**(270)**	(251)
Repayment of lease liabilities	33	**(28,147)**	(27,473)
Proceeds from borrowings	33	**–**	673
Repayment of borrowings	33	**(7,135)**	(3,183)
NET CASH USED IN FINANCING ACTIVITIES		**(35,743)**	(89,760)
NET CASH INFLOW		**9,206**	98,854
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		**615,964**	519,622
Effect of exchange rate changes		**307**	(2,512)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		**625,477**	615,964
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Short-term deposits	28	**584,007**	521,497
Cash and bank balances	29	**41,470**	94,467
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		**625,477**	615,964

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

1. GENERAL

SIA Engineering Company Limited (the "Company") is a limited liability company incorporated in the Republic of Singapore which is also the place of domicile. The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company is a subsidiary company of Singapore Airlines Limited and its ultimate holding company is Temasek Holdings (Private) Limited. Both holding companies are incorporated in the Republic of Singapore.

The registered office of the Company is at 31 Airline Road, Singapore 819831.

The financial statements of the Group as at 31 March 2022 and for the year then ended 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 Company are the provision of airframe maintenance, component overhaul services and fleet management programme, the provision of line maintenance and technical ground handling services and investment holdings. The principal activities of the subsidiary companies are disclosed in Note 19 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 5 May 2022.

2. BUSINESS IMPACT AND FINANCIAL IMPLICATIONS OF THE COVID-19 PANDEMIC

The COVID-19 pandemic has significantly impacted the aviation and related MRO industries since early 2020. Despite the gradual improvement in air traffic, the number of work orders and revenue remained low; revenue for the current year at $566,086,000 as compared to $994,146,000 in 2019/20. The Group continues to be supported by government assistance grants. However, the grants have been reduced and will taper off in the next financial year.

In addition, recovery will be impacted by the Russia-Ukraine war which has resulted in further volatility in the global economy and financial markets, and the increased geopolitical tensions are set to exacerbate concerns over inflation and supply chain disruption. As at the date of the financial statements, the financial effects on current year's financial performance were not assessed to be material. Nevertheless, Management will continue to monitor the developments closely.

The financial effects from business impacts of the COVID-19 pandemic considered by the Group in the preparation of the consolidated financial statements for the year ended 31 March 2022 include the following:

(i) Government assistance grants

A wage support grant of $71,929,000 (2020/21: $143,778,000), mainly referring to the Stabilisation and Support Package provided by the Singapore Government, has been recognised and deducted against staff costs in current year's profit or loss (Note 6). Such wage support refers principally to cash grant under the Jobs Support Scheme ("JSS").

As at 31 March 2022, $4,716,000 (2020/21: $32,459,000) received was deferred to defray the Group's payroll costs in future periods. Such deferred income (Note 30) shall be released to future period's profit or loss over the remaining periods.

2. BUSINESS IMPACT AND FINANCIAL IMPLICATIONS OF THE COVID-19 PANDEMIC (continued)

(ii) Impairment of non-financial assets

The Group performed impairment tests on all significant CGUs. As flight operations gradually return and recovery trend continues, no additional impairment loss is considered necessary for the CGUs. However, the pace of recovery remains uncertain, with potential new variants that may hinder the progress. Accordingly, the impairment loss on the Airframe Maintenance Division ("BMD") CGU of $35,000,000 recognised in the prior year was carried forward at 31 March 2022.

The pandemic has contributed to the early retirement of specific aircraft types, leading to a surplus in the supply of related aircraft rotable spares available in the market. With increasing difficulty in selling certain aircraft rotable spares that were classified as "asset held for sale" since the previous years, Management decided to further write down the value of the assets held for sale to expected scrap value. The write-down of approximately $8,405,000 (2021: $1,937,000) was charged to current year's profit or loss.

Further details on impairment of non-financial assets, together with the risk of estimation uncertainties in the key assumptions used in determining the recoverable amounts (as disclosed in Note 4(f)) are disclosed in Notes 16, 18, 19 and 20 to the financial statements.

(iii) Credit and counterparty risk

As at 31 March 2022, the expected credit loss allowances of $7,073,000 (Note 36(c)) (2021: $11,404,000) were recorded against the Group's receivables from airline customers. Of this allowance, $3,764,000 (2021: $8,544,000) were made against receivables that were credit-impaired (refer to accounting policy in Note 3(k)).

(iv) Liquidity risk

The Group's holding of cash and short-term deposits, together with credit facilities and net cash flow from operations, are expected to be sufficient for working capital purposes as well as future capital commitments, at least for the next 12 months from the date of authorisation of this set of financial statements. To maintain the liquidity requirements, the Group continues to remain disciplined in the management of operating costs and capital expenditure.

Given the ongoing COVID-19 pandemic on a global scale together with the on-going geopolitical conflict, the Group will continue to monitor events closely and consider the financial implications in the preparation of financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group and the Company are consistent to all periods presented in the financial statements and in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS").

(a) Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with SFRS(I) and IFRS.

All references to SFRS(I)s and IFRSs are subsequently referred to as IFRSs in these financial statements unless otherwise specified.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

The financial statements are presented in Singapore Dollars ("SGD"), which is the Company's functional currency and all financial information presented in SGD have been rounded to the nearest thousand ($'000), unless otherwise stated.

(b) Changes in accounting policies

New standards and amendments

The Group has applied the following IFRSs, amendments to and interpretations of IFRSs for the first time for the annual period beginning on 1 April 2021:

- *Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7, FRS 104 and FRS 116)*
- *COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements. The financial instruments held by the Group as at 31 March 2022 are not affected by IBORs transition except for the unsecured bank loans indexed to USD LIBOR. The loans will mature in April 2022 before the new SOFR takes effect on 1 July 2023.

(c) New standards and interpretations not adopted

New standards and amendments to standards that are effective from the Group's financial year ending 31 March 2022 are as follows:

Description	Effective from
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 April 2023
IFRS 17 Insurance Contracts and Amendments to IFRS 17 Insurance Contracts	1 April 2023
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 April 2022
Property, Plant and Equipment—Proceeds before Intended Use (Amendments to IFRS 16)	1 April 2022
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	1 April 2022
Annual Improvements to IFRSs 2018-2020	1 April 2022
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 April 2023
Definition of Accounting Estimates (Amendments to IAS 8)	1 April 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 April 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation

Business combinations are accounted for by applying the acquisition method when the acquired set of activities and assets meets the definition of business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset of group of similar identifiable assets. 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 sum 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 assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 3(f). When the amount is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration will be recognised at fair value at the acquisition date and included in the consideration transferred. 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 profit or loss.

The Group elects for each individual business combination, whether 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 profit or loss. In such circumstances, adjustments are based on a proportionate amount of the net assets of the subsidiary companies.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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.

3. 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. Otherwise, an estimate is made for the balances to the end of the accounting period based on historical experience and adjusting 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 loss of significant influence or joint control over the associate or joint venture, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible assets

Computer software

Acquired computer software is stated at cost less accumulated amortisation and accumulated impairment losses.

Deferred engine development costs

This relates to the Group's share of engine programme assets including development costs made in connection with its participation in aircraft engine development projects with other companies. This is measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill that forms part of the carrying amount of an associated or a joint venture company is not recognised separately, and therefore, is not tested for impairment separately. Instead, the entire amount of the investment in associated or joint venture company is tested for impairment as a single asset when there is objective evidence that the investment in associated or joint venture company may be impacted.

In the Group's balance sheet, the investments in associates include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001. Goodwill arising from business combinations before 1 April 2001 was previously written-off directly to reserves in the year of acquisition.

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.

Others

Licences acquired in business combinations are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or 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 3 – 5 years
- Licences 3 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible assets (continued)

Amortisation (continued)

For engine programme assets including development costs, amortisation begins only when assets are available for use. These engine programme assets including development costs are amortised on a straight-line basis over a maximum of 39 years, the expected project life from the start of aircraft engine sales through post-sales maintenance service periods.

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 rates prevailing at the dates of those transactions.

All foreign currency monetary assets and liabilities are translated into SGD using year-end exchange rates. 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 profit or loss, except for qualifying cash flow hedges which are recognised in other comprehensive income and deferred to equity.

Foreign operations

For the purpose of the consolidated financial statements, the net assets of the foreign subsidiary, associated and joint venture companies are translated into SGD at the rates prevailing at the reporting date. The financial results of foreign subsidiary, associated and joint venture companies are translated monthly into SGD at the prevailing exchange rates. The resulting gains or losses on exchange are recognised in other comprehensive income and accumulated under 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When parts of a property, plant and equipment have different useful lives, they are accounted for as separate components. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment are also capitalised. The accounting policy for borrowing costs is set out in Note 3(t).

When assets are sold or retired, their costs, accumulated depreciation and accumulated impairment loss, if any, are removed from the financial statements and any gain or loss resulting from their disposal is included in profit or loss.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

(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 method 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 are installed and ready for use.

Advance and progress payments are not depreciated as they are not yet available for use.

Fully depreciated assets are retained in the financial statements until they are no longer in use. No depreciation is charged after assets are depreciated to their residual values.

Property, plant and equipment type	Useful lives	Residual values
Leasehold land and buildings	Shorter of lease period or 30 years	Nil
Plant, equipment and engine overhaul tooling	1– 15 years	Nil
Aircraft rotable spares	3 – 15 years	Nil
Office furniture, computer equipment and motor vehicles	1 – 7 years	Nil

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) As a lessee

The Group recognises a right-of-use ("ROU") asset and lease liability at the lease commencement date.

ROU asset

ROU asset is initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimated cost to restore the underlying asset, less any lease incentive received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

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 interest rate from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments comprise the following:

- fixed payments, including in-substance fixed payments, less any incentives receivables;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee and;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases (continued)

(i) As a lessee (continued)

Lease liability (continued)

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 not to separate lease and non-lease components for property leases and has elected to 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.

From 1 April 2021, where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term equipment leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19 related rent concessions

The Group has applied *COVID-19-Related Rent Concessions* (Amendments to IFRS 16). The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assess whether there is a lease modification.

(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 (see Note 3(l)).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

(k) Financial instruments

(i) Recognition and initial measurement

A financial asset or financial liability (except for trade receivable without a significant financing component) is initially measured at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

For equity investments that are not held for trading, the Group may irrevocably elect on initial recognition to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

(i) 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.

(ii) 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.

(iii) FVTPL: All other financial assets are classified as measured at FVTPL. Financial assets that are held for trading 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, as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Group's Management;
- The risks that affect the performance of the business model and how those risks are managed;
- How managers of the portfolio are compensated; and
- The frequency, volume and timing of disposals in prior periods, the reasons for such disposals and its expectations about future activity.

Assessment of whether contractual cash flows are solely payments of principal and interest

For assessment purposes, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers contingent events, leverage features, modifications of the time value of money and other limiting terms in the contractual terms of the instrument, which could change the timing or amount of contractual cash flows such that the cash flows of the instrument would not be reflective of solely payments of principal and interest.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Financial liabilities

The Group classifies its financial liabilities, other than 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

(iii) Derecognition (continued)

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 balance sheets, 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 ("ECL")

The Group recognises loss allowances for ECL on financial assets measured at amortised cost and contract assets.

Simplified approach

The Group applies the simplified approach to provide for loss allowances for trade debtors, contract assets and amounts owing by related parties to be always measured at an amount equal to lifetime ECL.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

(v) Impairment (continued)

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

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 contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Credit-impaired financial assets

At each reporting date, the Group assesses whether non-equity financial assets that are carried at amortised cost and non-equity financial assets that are carried at 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.

Presentation of allowance for ECLs in the balance sheet

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(vi) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency. 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.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken directly to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Designation of hedges

The Group designates certain derivatives as well as non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objective and strategy in undertaking the hedge, the economic relationship between the hedge instrument and the hedged item, the effects of credit risk on the hedge, the hedge ratio and the hedge type (cash flow or fair value).

Designation of a risk component of a hedged item, is permitted provided that it is a separable identifiable component of the item, and the changes in the cash flows or the fair value of the item attributable to changes in the risk component is reliably measurable.

At the inception of the hedge relationship, the Group makes an assessment of whether the hedging instrument is expected to be highly effective in offsetting the changes in the fair value, or cash flows of the respective hedged item during the period for which the hedge is designated. For a cash flow hedge of a forecast transaction, the Group also assesses whether the forecast transaction is highly probable to occur and if it presents an exposure to variations in cash flows that could ultimately affect profit or loss.

The hedge effectiveness assessment is an assessment of the economic relationship between the hedged item and the hedging instrument, and is therefore only forward looking. There is no prescribed quantitative hedge effectiveness threshold. Hedge effectiveness is the extent to which the fair value of the hedging instrument offset 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 or loss in the same period that the underlying transaction affects profit or loss, or be capitalised into the initial carrying value of a hedged item.

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 are greater than 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 profit or loss in the same period that the underlying transaction affects profit or loss or be capitalised in the initial carrying amount of a hedged item.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Where the carrying amount of an asset or its related CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For non-financial assets excluding goodwill and those with indefinite lives, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. 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. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for warranty claims is made for airframe maintenance and component overhaul services based on past experience of the level of repairs.

(n) Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital, net of any tax effect.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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 pursuant to equity compensation plans, 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 for the Group and no dividends are allocated to them respectively.

(p) Assets held for sale

Non-current assets that are highly probable to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, the assets classified as held for sale (held for distribution) are generally measured at the lower of their carrying amount and fair value less costs to sell (fair value less costs to distribute).

Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

(q) 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 profit or loss 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Taxation (continued)

(ii) Deferred tax

Deferred tax is provided, using the balance sheet method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are not recognised for:

- Temporary differences on the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- Temporary differences associated with investments in subsidiary and joint venture companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences 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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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.

(iii) Indirect taxes

Revenues, expenses and assets are recognised net of the amount of indirect tax except:

- Where the indirect tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the indirect tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of indirect tax included.

The net amount of indirect tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Revenue

Revenue from services rendered in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services. The transaction price may be fixed or variable. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

The following policies provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies.

Airframe and line maintenance

Revenue from airframe and line maintenance includes airframe maintenance, line maintenance and fleet management programme.

Revenue from airframe maintenance is recognised over time using input method to reflect the progress of the projects completed to date. The progress 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. Billing for airframe services are either on a fixed price or "as incurred basis". The fixed price charges are generally due prior to aircraft redelivery. For services that are charged on "as incurred" basis, they are payable within 30 – 90 days.

Revenue from line maintenance includes aircraft certification and technical ground handling and is recognised over the duration of the services rendered. Invoices are issued bi-monthly or monthly or upon rendering of services. The invoices are payable within 30 – 90 days.

For fleet management programme, billings to customers are based on flying hours and/or fixed contractual prices and revenue is recognised over time when services are being performed. The charges are billed in advance using estimated flying hour or billed in arrears using actual flying hours or upon rendering of services. The invoices are payable within 30 – 90 days.

Engine and component

Revenue from engine and component includes engine and component overhaul and is recognised over time using input method as to reflect the progress of repair services completed to date. Invoices are issued upon rendering of services and are payable within 30 – 90 days.

The Group and Company exercised judgement in applying the estimated variable consideration based on experience with customers. A general provision for expected claims by customers is made based on historical experience. Additionally, the Group and Company make specific provisions at each reporting period for failure to adhere to specific conditions under each customer contract. The Group and Company review their estimates of expected claims at each reporting date and update the amounts of the provisions accordingly.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income from investments

Dividend income from investments is recognised when the Group's right to receive the payment is established.

Interest income from fixed deposits is recognised using the effective interest method.

(t) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(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, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

(v) Employee benefits

Equity compensation plans

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered.

The Company has implemented the Restricted Share Plan, Performance Share Plan and Deferred Share Awards for the award of fully paid ordinary shares to key senior management and senior executives, after pre-determined performance or service conditions are accomplished.

Details of the plans are disclosed in Note 12 to the financial statements.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the share awards are granted. 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.

This cost is recognised in profit or loss as share-based compensation expense, with a corresponding increase in the share-based compensation reserve, over the vesting period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date").

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 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 when new shares are issued, or to treasury shares if the awards are satisfied by the reissuance of treasury shares.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Employee benefits (continued)

Defined benefit plans

The Group contributes to several defined benefit pension and post employment benefit plans for some of the regular employees. The cost of providing benefits includes the Group's contribution for the year plus any unfunded liabilities under the plans, which is determined separately for each plan. Contributions to the plans over the expected average remaining working lives of the employees participating in the plans are recognised as expense in profit or loss.

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.

Defined contribution plans

As required by law, companies in Singapore make contributions to the Central Provident Fund scheme ("CPF") in Singapore, a defined contribution scheme. Certain of the Group's subsidiary companies outside Singapore make contributions to their respective country's defined contribution pension schemes. Such contributions are recognised as expenses in the period in which the related services are performed.

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.

(w) Segmental reporting

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 Management of the Company that regularly reviews the segments' results in order to allocate resources to the segments and to assess the segments' performance.

Where the equity method investment is a reportable segment, the segment information reviewed by Management is the full financial information of the investee (e.g. total revenue, total profit or loss). Accordingly, the segment disclosures are based on the full financial information of the equity-accounted investees. Relevant elimination of the investees' revenue and results are made to reconcile to the Group consolidated results.

The Company and its subsidiaries operate in Singapore, Philippines, Japan and United States of America. The significant operating segments of the Group are airframe and line maintenance, and engine and component. Additional disclosures on each of these segments are shown in Note 37 including the factors used to identify the reportable segments and the measurement basis of segment information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held and mandatory convertible bonds. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible bonds and share awards granted to employees.

(y) Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of the employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly-controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022

4. 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 and expenses, and disclosures made. 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 and 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) ECL provision for trade receivables, contract assets and amounts owing by related parties

The Group uses an allowance matrix by age bracket to measure the ECL of trade receivables, contract assets and amounts owing by related parties. The provision rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on common credit risk characteristics.

The Group also assesses at the end of each reporting period whether there is any objective evidence that the receivables and contract balances from individual customers is credit-impaired based on factors such as insolvency, financial difficulties of the customer or significant delays in repayments.

The ongoing COVID-19 pandemic has weakened the financial positions of market participants in the aviation and aerospace sectors. The estimates on ECL have included the expected effects that the pandemic may have on the recoverability of the Group's receivables from airline and OEM customers. The aggregated carrying amounts of the Group's and Company's trade receivables, contract assets and amounts owing by related parties as at 31 March 2022 were approximately $180,616,000 (2021: $155,325,000) and $169,850,000 (2021: $148,335,000), respectively.

(b) Depreciation of plant, equipment and engine overhaul tooling, and aircraft rotable spares

The costs of plant, equipment and engine overhaul tooling, and aircraft rotable spares are depreciated on a straight-line basis over the expected useful lives. Management estimates the useful lives of these assets to be within 1 to 15 years. The carrying amount of the Group's and Company's plant, equipment and tooling and aircraft rotable spares as at 31 March 2022 was approximately $58,460,000 (2021: $68,199,000) and $54,112,000 (2021: $63,396,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore future depreciation charges could be revised.

(c) Income taxes

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the Group-wide 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.

The carrying amounts of the Group's current tax payable and deferred tax liabilities as at 31 March 2022 were approximately $4,454,000 (2021: $9,508,000) and $545,000 (2021: $1,209,000) respectively.

The carrying amounts of the Company's current tax payable and deferred tax liabilities as at 31 March 2022 were approximately $4,461,000 (2021: $$8,354,000) and $nil (2021: $1,362,000) respectively.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND CRITICAL JUDGEMENTS (continued)

(d) Contract assets

Contract assets refer to services rendered which have not been billed and are stated at cost plus estimated profit earned, according to the estimated progress of the projects completed and total estimated budgeted cost. Management made reference to labour hours incurred and the physical stage of maintenance, repair and overhaul in estimating the progress of the projects completed and budgeted cost. The carrying amounts of the Group's and Company's contract assets as at 31 March 2022 were approximately $124,562,000 (2021: $101,572,000) and $118,770,000 (2021: $93,667,000) respectively.

(e) Measurement of right-of-use assets and related lease liabilities

The Group and the Company have entered into lease agreements for certain plant and equipment, office furniture and computer equipment and land and buildings. These non-cancellable leases have lease terms of between 1 and 48 years, with some leases containing renewal options. The Group assesses at each lease commencement date whether it is reasonably certain to exercise the extension options. Where the Group assesses it is likely to exercise the extension options available to it, the extensions were included in the measurement of lease liabilities. The carrying amounts of the Group's and Company's right-of-use assets as at 31 March 2022 were approximately $63,005,000 (2021: $71,317,000) and $56,841,000 (2021: $64,124,000), respectively. The carrying amounts of the Group's and Company's lease liabilities as at 31 March 2022 were approximately $66,931,000 (2021: $74,164,000) and $59,975,000 (2021: $66,246,000), respectively.

(f) Impairment of non-financial assets

Management performs impairment testing for the following items:

- Property, plant and equipment (refer to Note 16);
- Right-of-use assets;
- Intangible assets, relating to deferred engine development costs (refer to Note 18); and
- Investments in subsidiary, associated and joint venture companies.

Impairment is recognised when events and circumstances indicate that the non-financial assets may be impaired and the carrying amounts of the non-financial assets exceed the recoverable amounts. Recoverable amount is defined as the higher of the non-financial assets' fair value less costs to sell and its value-in-use. In the case of aircraft rotable spares, the current fair market value is determined based on the expected scrap value from the outcome of a request-for-quotation ("RFQ") exercise on an entire portfolio basis carried out close to the year-end.

When value-in-use calculations are undertaken, Management estimates the recoverable amount based on a discounted cash flow model. The cash flows are derived from the forecast approved by Management. These cash flow assumptions are premised on Management's assessment of market conditions and outlook relevant to the cash-generating units, and therefore subject to risk of estimation uncertainties.

5. REVENUE (IN THOUSANDS OF $)

	The Group	
	2021/22	2020/21
Airframe and line maintenance		
Airframe overhaul and line maintenance	**481,309**	376,623
Fleet management programme	**52,654**	51,635
	533,963	428,258
Engine and component	**32,123**	14,736
	566,086	442,994

5. REVENUE (IN THOUSANDS OF $) (continued)

(a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major service line and timing of revenue recognition.

	Airframe overhaul and line maintenance		Fleet management programme		Engine and component		Total	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Primary geographical markets								
East Asia	**382,043**	294,571	**51,070**	50,043	**15,977**	4,435	**449,090**	349,049
Europe	**54,506**	35,759	**705**	1,067	**1,387**	857	**56,598**	37,683
South West Pacific	**3,176**	3,843	**58**	65	**1,614**	560	**4,848**	4,468
Americas	**22,173**	16,347	**158**	–	**12,626**	8,363	**34,957**	24,710
West Asia and Africa	**19,411**	26,103	**663**	460	**519**	521	**20,593**	27,084
	481,309	376,623	**52,654**	51,635	**32,123**	14,736	**566,086**	442,994
Major service line								
Services rendered	**481,309**	376,623	**52,654**	51,635	**32,123**	14,736	**566,086**	442,994
	481,309	376,623	**52,654**	51,635	**32,123**	14,736	**566,086**	442,994
Timing of revenue recognition								
Transferred over time	**481,309**	376,623	**52,654**	51,635	**32,123**	14,736	**566,086**	442,994
	481,309	376,623	**52,654**	51,635	**32,123**	14,736	**566,086**	442,994

(b) Transaction price allocated to the remaining performance obligations

As at 31 March 2022, the revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date for fleet management programme amounts to approximately $111,000,000 (2020/21: $86,000,000) for financial periods 2022/23 to 2024/25 (2020/21: 2021/22 to 2023/24).

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amount presented above.

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

6. STAFF COSTS (IN THOUSANDS OF $)

	The Group	
	2021/22	**2020/21**
Salary, bonuses and other costs	**238,263**	167,054
CPF and other defined contributions	**40,072**	38,697
Share-based compensation expense	**3,810**	3,222
	282,145	208,973

The Group contributes to unfunded, non-contributory, defined benefit plans for some of the regular employees. Defined benefit expenses for the Group were approximately $708,000 (2020/21: $979,000). As the financial effects of the defined benefit plan are not material to the overall financial statements, no further disclosures of the plan are provided. Disclosures relating to share-based compensation expense are in Note 12.

During the year, staff costs were offset by the following items:

(a) $71,929,000 (2020/21: $143,778,000) of government grants, namely the Jobs Support Scheme ("JSS") implemented by the Singapore Government, measured at 10-50% of the qualifying wages recorded by group entities in Singapore (refer to Note 2); and

(b) $5,249,000 (2020/21: $8,165,000) of wage subsidy under the Payroll Support Program and Employee Retention Credit scheme announced by the United States of America ("USA") Government to support business that were significantly affected by COVID-19. Such scheme was extended to a subsidiary incorporated in USA.

7. OPERATING LOSS (IN THOUSANDS OF $)

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

	The Group	
	2021/22	**2020/21**
Impairment loss allowance for trade receivables, contract assets and amounts owing by related parties	**93**	1,956
Net exchange (gain)/loss*	**(473)**	4,195
Provision for obsolete stocks, net	**2,971**	2,555
Professional fee paid to a firm in which a director is a member	**136**	282
Audit fees		
– Auditors of the Company	**273**	313
– Other auditors	**17**	18
Non-audit fees		
– Auditors of the Company#	**136**	16

* Amount includes a net fair value gain on forward currency contracts used for hedging purposes of approximately $64,000 (2020/21: net fair value gain of $272,000), which was realised in the current financial year. Disclosures relating to fair value changes on derivative financial instruments are in Note 14.

\# Amount includes professional fees relating to the establishment of the Group's Euro Medium Term Note Programme (Note 36 (d)) approximately $95,000 (2020/21: $Nil).

8. INTEREST INCOME (IN THOUSANDS OF $)

	The Group	
	2021/22	**2020/21**
Deposits placed with immediate holding company	**1,701**	3,693
Deposits placed with banks	**115**	254
	1,816	3,947

9. TAXATION (IN THOUSANDS OF $)

The major components of taxation for the years ended 31 March 2022 and 2021 are as follows:

	The Group	
	2021/22	**2020/21**
Current tax		
Provision for the financial year	**(1,159)**	(2,637)
Over-provision in respect of prior years	**1,492**	398
	333	(2,239)
Deferred tax		
Movement in temporary differences	**11,956**	19,267
Over/(under)-provision in respect of prior years	**6,322**	(995)
	18,278	18,272
Taxation recognised in profit or loss	**18,611**	16,033

Deferred tax related to other comprehensive income:

	The Group	
	2021/22	**2020/21**
Net change in the fair value of derivative financial instruments designated as cash flow hedges	**93**	(560)

9. TAXATION (IN THOUSANDS OF $) (continued)

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

	The Group	
	2021/22	2020/21
Profit/(Loss) before taxation	**49,160**	(35,587)
Less: share of results of associated and joint venture companies	**(79,092)**	(39,888)
	(29,932)	(75,475)
Taxation at statutory tax rate of 17.0%	**5,088**	12,831
Adjustments		
Income not subject to tax	**14,958**	22,628
Deferred tax assets not recognised	**(5,115)**	(11,155)
Expenses not deductible for tax purposes	**(5,125)**	(9,615)
Effects of difference in tax rates of other countries	**458**	1,178
Over/(under)-provision in relation to prior years	**7,814**	(597)
Writeback of withholding tax expense	**37**	765
Tax incentives	**63**	–
Others	**433**	(2)
Taxation	**18,611**	16,033

10. EARNINGS/(LOSS) PER SHARE

	The Group	
	2021/22	2020/21
Profit/(Loss) attributable to owners of the parent (in thousands of $)	**67,608**	(11,249)
Weighted average number of ordinary shares in issue used for computing basic earnings/(loss) per share*	**1,122,234,361**	1,121,130,335
Adjustment for dilutive potential ordinary shares	**3,954,714**	–
Weighted average number of ordinary shares in issue used for computing diluted earnings/(loss) per share	**1,126,189,075**	1,121,130,335
Basic earnings/(loss) per share (cents)	**6.02**	(1.00)
Diluted earnings/(loss) per share (cents)	**6.00**	(1.00)

* The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

For purposes of calculating diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to take into account the effects of dilutive potential ordinary shares. The Company has three categories of dilutive potential ordinary shares: performance shares, restricted shares and deferred shares.

In the prior year, the potential ordinary shares from the Company's share-based incentive plans were excluded from the diluted weighted average number of ordinary shares calculation as the conversion to ordinary shares would decrease loss per share. As such, the effect was considered anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

11. DIVIDENDS PAID AND PROPOSED (IN THOUSANDS OF $)

	The Group and Company	
	2021/22	2020/21
Dividends paid:		
Final dividend of Nil cents per share in respect of 2020/21 (2020/21: 5.0 cents per share in respect of 2019/20)	–	56,070

No tax exempt (one-tier) dividends were proposed for the financial year ended 31 March 2022.

12. SHARE CAPITAL (IN THOUSANDS OF $)

	The Group and Company			
	Number of shares		Amount	
	2022	2021	2022	2021
Issued and fully paid				
Balance at 1 April and 31 March	**1,124,116,360**	1,124,116,360	**420,044**	420,044

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

During the financial year, the Company's release of share awards granted under the restricted and performance share plans were settled by way of issuance of 1,109,033 (2020/21: 1,089,003) treasury shares.

Share-based incentive plans

At the Extraordinary General Meeting of the Company held on 21 July 2014, shareholders approved the adoption of the SIAEC RSP 2014 and SIAEC PSP 2014.

The details of the plans are described below:

	Restricted Share Plan	Performance Share Plan	Deferred Share Award
Plan Description	Award of fully-paid ordinary shares of the Company, dependent on position level and individual performance targets set at the start of a one-year performance period based on Group and Company objectives with some degree of stretch.	Award of fully-paid ordinary shares of the Company, conditional on performance targets set at the start of a three-year performance period based on stretched long-term corporate objectives for senior management.	Conditional share award of fully-paid ordinary shares of the Company under the Restricted Share Plan ("RSP"), which is the part-settlement of the Strategic and Transformational Initiatives Incentive Plan ("STIP") for senior management.

12. SHARE CAPITAL (IN THOUSANDS OF $) (continued)

Share-based incentive plans (continued)

	Restricted Share Plan	Performance Share Plan	Deferred Share Award
Performance Conditions	Awards granted prior to 2021/22 • Group and Company EBITDA# Margin • Group and Company Value Added per $ Employment Cost Awards granted in and after 2021/22 • Achievement based on Company Operating Performance Scorecard The above performance conditions are selected as they are the key operational drivers of shareholder value and are aligned to the Group and Company's business objectives.	• Absolute Total Shareholder Return (TSR) outperform Cost of Equity (COE) • Return on Equity (ROE) • Successful Transformation from Financial/Business Perspective (for 2018/19 and 2019/20 Award only) The above performance measures are selected as key measurement of value-creation for shareholders.	None
Vesting Condition	Based on meeting stated performance conditions over a one-year performance period, 1/3 of award will vest provided performance conditions are met. Balance will vest equally over the subsequent two years with fulfilment of service requirements.	Vesting based on meeting stated performance conditions over the three-year performance period.	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.
Payout	0% – 150% depending on the achievement of pre-set performance targets over the performance period.	0% – 200% depending on the achievement of pre-set performance targets over the performance period.	100%

EBITDA denotes Earnings before Interest, Taxes, Depreciation and Amortisation.

12. SHARE CAPITAL (IN THOUSANDS OF $) (continued)

Share-based incentive plans (continued)

The movement of the shares awarded during the financial year is as follows:

RSP

	Number of Restricted shares				
Date of grant	Balance at 1.4.2021/ date of grant	Adjustments*	Cancelled	Released	Balance at 31.3.2022
06.07.2018	283,002	–	–	(283,002)	–
05.07.2019	563,677	–	(9,440)	(295,360)	258,877
07.07.2020	1,436,880	(75,226)	(89,759)	(470,222)	801,673
04.01.2021	7,900	(295)	–	(2,600)	5,005
07.07.2021	1,282,818	–	(40,200)	–	1,242,618
05.11.2021	11,000	–	–	–	11,000
	3,585,277	(75,521)	(139,399)	(1,051,184)	2,319,173

* Adjustments at the end of performance period upon meeting stated performance targets and adjustments for number of days in service for retirees.

PSP

	Number of Performance shares				
Date of grant	Balance at 1.4.2021/ date of grant	Adjustments*	Cancelled	Released	Balance at 31.3.2022
06.07.2018	175,300	–	(117,451)	(57,849)	–
05.07.2019	273,400	–	–	–	273,400
07.07.2020	422,200	–	–	–	422,200
04.01.2021	7,100	–	–	–	7,100
07.07.2021	346,300	–	–	–	346,300
05.11.2021	9,700	–	–	–	9,700
	1,234,000	–	(117,451)	(57,849)	1,058,700

* Adjustments at the end of performance period upon meeting stated performance targets and adjustments for number of days in service for retirees.

DSA

	Number of Deferred shares				
Date of grant	Balance at 1.4.2021/ date of grant	Adjustments*	Cancelled	Released	Balance at 31.3.2022
05.07.2019	173,278	–	–	–	173,278
07.07.2020	155,616	–	–	–	155,616
07.07.2021	247,947	–	–	–	247,947
	576,841	–	–	–	576,841

* Adjustments at the end of performance period upon meeting stated performance targets and adjustments for number of days in service for retirees.

12. SHARE CAPITAL (IN THOUSANDS OF $) (continued)

Share-based incentive plans (continued)

Measurement of fair values

The fair value of services received in return for shares awarded is measured by reference to the fair value of shares granted each year under the SIAEC RSP, PSP and DSA. The estimate of the fair value of the services received is measured based on a prospective Monte Carlo simulation model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns.

The following table lists the key inputs to the model used for the July 2021, January 2021 and July 2020 award:

	July 2021 Award		January 2021 Award			July 2020 Award		
	RSP	PSP	RSP	PSP	DSA	RSP	PSP	DSA
Expected dividend yield (%)	Management's forecast in line with dividend policy							
Expected volatility (%)	33.68	33.68	33.68	31.28	31.28	30.03	30.03	30.03
Risk-free interest rate (%)	0.33 – 0.72	0.72	0.72	0.29 – 0.33	0.31	0.26 – 0.31	0.31	0.31
Expected term (years)	1.00 – 3.00	3.00	3.00	0.50 – 2.50	2.50	1.00 – 3.00	3.00	3.00
Share price at date of grant ($)	2.20	2.20	2.20	1.99	1.99	2.00	2.00	2.00

For non-market conditions, achievement factors have been estimated based on inputs from the Compensation & HR Committee for the purpose of accrual for the RSP, PSP and DSA until the achievement of the targets can be accurately ascertained.

Based on the Monte Carlo simulation model, the estimated fair value at date of grant for each share granted under the RSP ranges from $1.93 to $2.10 (2020/21: $1.79 to $1.94), the estimated fair value at date of grant for each share granted under the PSP is $2.22 (2020/21: $1.64 to $1.71) and the estimated fair value at date of grant for each share granted under the DSA is $1.93 (2020/21: $1.79).

When estimating the fair value of the compensation cost, market-based performance conditions shall be taken into account. Therefore, for performance share grants with market-based performance conditions, the compensation cost shall be charged to profit or loss on a basis that fairly reflects the manner in which the benefits will accrue to the employee under the plan over the remaining service periods from date of grant to which the performance period relates, irrespective of whether this performance condition is satisfied.

For performance share grants with non-market conditions, the Company revises its estimates of the number of share grants expected to vest and corresponding adjustments are made to profit or loss and share-based compensation reserve.

Under the RSP, PSP and DSA, eligible key executives 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.

The number of contingent shares granted but not released as at 31 March 2022, were 2,319,173 (2021: 2,291,459), 1,058,700 (2021: 878,000) and 576,841 (2021: 328,894) for RSP, PSP and DSA respectively. Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 2,945,982 (2021: 3,013,849), 2,117,400 (2021: 1,756,000) and 576,841 (2021: 328,894) fully-paid ordinary shares for RSP, PSP and DSA respectively.

For the current financial year, the Group has provided approximately $3,810,000 (2020/21: $3,222,000) in respect of the RSP, PSP and DSA based on the fair values determined on grant date and estimation of share grants that will ultimately vest.

12. SHARE CAPITAL (IN THOUSANDS OF $) (continued)

The amounts recognised in profit or loss for share-based compensation transactions with employees are as follows:

	The Group and Company	
	2021/22	2020/21
Share-based compensation expense		
– Restricted share plan	**2,453**	2,393
– Performance share plan	**899**	581
– Deferred share award	**458**	248
	3,810	3,222

13. TREASURY SHARES (IN THOUSANDS OF $)

	The Group and Company 31 March	
	2022	2021
Balance at 1 April	**(9,769)**	(13,689)
Treasury shares reissued pursuant to equity compensation plans:		
– RSP/PSP awarded	**2,727**	3,864
– Loss on reissuance of treasury shares	**1,266**	56
	3,993	3,920
Balance at 31 March	**(5,776)**	(9,769)

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

During the financial year 2022 and 2021, the Company did not purchase any treasury shares.

The Company reissued 1,109,033 (2021: 1,089,003) treasury shares pursuant to share-based incentive plans. The number of treasury shares as at 31 March 2022 was 1,604,741 (2021: 2,713,774).

14. OTHER RESERVES (IN THOUSANDS OF $)

(a) Capital reserve

Capital reserve arises from the gains or losses on the reissuance of treasury shares.

(b) Share-based compensation reserve

Share-based compensation reserve represents the equity-settled share awards granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share awards, and is reduced by the release of share awards.

14. OTHER RESERVES (IN THOUSANDS OF $) (continued)

(c) Foreign currency translation reserve

The foreign currency translation reserve records 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.

(d) Fair value reserve

Fair value reserve records the cumulative fair value changes of financial asset measured at fair value through other comprehensive income ("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 is determined to be an effective hedge.

	The Group 31 March	
	2022	**2021**
Balance at 1 April	**(2,300)**	(8,682)
Net gain/(loss) on fair value adjustment	**520**	(2,461)
Recognised in "other operating expenses" in profit or loss on occurrence of forecast transactions	**(64)**	314
Recognised in "other operating expenses" in profit or loss on occurrence of hedging ineffectiveness	**–**	(586)
Share of other comprehensive income of a joint venture company	**1,936**	9,115
Balance at 31 March	**92**	(2,300)

	The Company 31 March	
	2022	**2021**
Balance at 1 April	**669**	3,402
Net gain/(loss) on fair value adjustment	**520**	(2,461)
Recognised in "other operating expenses" in profit or loss on occurrence of forecast transactions	**(64)**	314
Recognised in "other operating expenses" in profit or loss on occurrence of hedging ineffectiveness	**–**	(586)
Balance at 31 March	**1,125**	669

(e) Equity transaction reserve

The reserve represents the effects of changes in ownership interest in subsidiaries when there is no change in control.

(f) General reserve

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

15. DEFERRED TAXATION (IN THOUSANDS OF $)

Deferred tax relates to the following items:

	The Group				The Company	
	Consolidated balance sheet 31 March		Consolidated income statement		Balance sheet 31 March	
	2022	**2021**	**2021/22**	**2020/21**	**2022**	**2021**
Deferred tax liabilities						
Differences in depreciation of property, plant and equipment	**14,130**	21,282	**(7,152)**	(316)	**13,536**	20,762
Revaluation of forward currency contracts to fair value#	**230**	137	**–**	–	**230**	137
Undistributed profits of a subsidiary company	**–**	–	**–**	(578)	**–**	–
Undistributed profits of overseas associated companies	**174**	211	**(37)**	(128)	**–**	–
Other items	**22**	22	**–**	(235)	**–**	–
Deferred tax assets						
Actuarial loss on revaluation of defined benefit plans	**(514)**	(514)	**–**	–	**(514)**	(514)
Provisions	**(4,283)**	(5,482)	**1,199**	(2,069)	**(4,283)**	(5,482)
Unabsorbed capital allowances and tax losses	**(26,187)**	(14,162)	**(12,025)**	(14,162)	**(25,567)**	(13,541)
Other items	**(630)**	(285)	**(263)**	(784)	**–**	–
	(17,058)	1,209			**(16,598)**	1,362
Deferred income tax expense			**(18,278)**	(18,272)		

As at 31 March 2022, the Group and Company have deferred tax effects of changes in fair value of derivative financial instruments of approximately $93,000 (2020/21: $560,000) which were recognised in other comprehensive income (Refer to Note 9).

Deferred income tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable. The deferred tax assets of $12,025,000 recognised during the year (2020/21: $14,162,000) came from benefits of tax losses and unutilised capital allowances that arose during periods of the COVID-19 pandemic. With expectation of a gradual recovery in flight operations, Management has forecasted certain group entities to be generating future taxable profits in the foreseeable future to utilise these carry-forward tax losses.

As at 31 March 2022, the Group has remaining unrecognised tax losses of approximately $157,627,000 (2021: $132,843,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax assets are recognised due to uncertainty of their recoverability. The use of tax losses is subject to agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. In Singapore, these tax losses do not expire under current tax legislation.

Except for deferred tax liabilities recorded on unremitted earnings for certain group entities, the Group has determined the undistributed earnings of the remaining overseas subsidiaries will not be distributed in the foreseeable future. As at 31 March 2022, the unremitted earnings aggregated to $16,663,000 (2021: $13,886,000), and the deferred tax liability effect is $4,999,000 (2021: $4,166,000).

16. PROPERTY, PLANT AND EQUIPMENT (IN THOUSANDS OF $)

	Leasehold land and buildings	Plant, equipment & engine overhaul tooling	Aircraft rotable spares	Office furniture and computer equipment	Motor vehicles	Advance and progress payments#	Total
The Group							
Cost							
At 1 April 2020	293,133	308,218	81,650	65,687	9,110	2,426	760,224
Additions	371	8,805	2,795	565	223	2,450	15,209
Transfers (including transfers from intangible assets)	–	937	149	4,246	–	(3,967)	1,365
Reclassification from assets held for sale	–	–	9,460	–	–	–	9,460
Disposals	(263)	(6,456)	(325)	(826)	(330)	30	(8,170)
Disposal of a subsidiary company	(459)	(13,511)	–	(2,297)	(623)	(9)	(16,899)
Exchange differences	(2,683)	(2,188)	(308)	220	(57)	120	(4,896)
At 31 March 2021	290,099	295,805	93,421	67,595	8,323	1,050	756,293
Additions	140	3,179	2,561	518	219	11,811	18,428
Transfers	4,179	2,838	273	1,891	–	(9,181)	–
Disposals	–	(6,475)	(781)	(656)	(226)	–	(8,138)
Exchange differences	276	165	33	14	8	–	496
At 31 March 2022	**294,694**	**295,512**	**95,507**	**69,362**	**8,324**	**3,680**	**767,079**
Accumulated depreciation and impairment losses							
At 1 April 2020	170,704	239,286	57,974	54,353	6,637	–	528,954
Depreciation	8,994	19,016	4,992	5,792	620	–	39,414
Disposals	(202)	(6,343)	(304)	(661)	(268)	–	(7,778)
Disposal of a subsidiary company	(293)	(10,876)	–	(1,999)	(382)	–	(13,550)
Reclassification from assets held for sale	–	–	6,667	–	–	–	6,667
Impairment losses	22,313	12,687	–	–	–	–	35,000
Exchange differences	(699)	(1,822)	(250)	241	(16)	–	(2,546)
At 31 March 2021	200,817	251,948	69,079	57,726	6,591	–	586,161
Depreciation	7,991	14,375	3,912	4,654	590	–	31,522
Disposals	–	(6,284)	(642)	(654)	(226)	–	(7,806)
Exchange differences	110	145	26	13	7	–	301
At 31 March 2022	**208,918**	**260,184**	**72,375**	**61,739**	**6,962**	**–**	**610,178**
Net book value							
At 31 March 2021	89,282	43,857	24,342	9,869	1,732	1,050	170,132
At 31 March 2022	**85,776**	**35,328**	**23,132**	**7,623**	**1,362**	**3,680**	**156,901**

16. PROPERTY, PLANT AND EQUIPMENT (IN THOUSANDS OF $) (continued)

	Leasehold land and buildings	Plant, equipment & engine overhaul tooling	Aircraft rotable spares	Office furniture and computer equipment	Motor vehicles	Advance and progress payments#	Total
The Company							
Cost							
At 1 April 2020	243,452	248,960	76,151	60,088	6,823	1,076	636,550
Additions	–	11,647	2,625	495	31	2,896	17,694
Transfers (including transfers from intangible assets)	–	567	–	4,246	–	(3,448)	1,365
Reclassification from assets held for sale	–	–	9,460	–	–	–	9,460
Disposals	–	(6,262)	(263)	(84)	(224)	–	(6,833)
At 31 March 2021	243,452	254,912	87,973	64,745	6,630	524	658,236
Additions	–	2,089	2,290	274	–	11,611	16,264
Transfers	4,172	2,935	–	1,891	–	(8,998)	–
Disposals	–	(5,979)	(477)	(585)	(226)	–	(7,267)
At 31 March 2022	**247,624**	**253,957**	**89,786**	**66,325**	**6,404**	**3,137**	**667,233**
Accumulated depreciation and impairment losses							
At 1 April 2020	156,975	194,126	53,476	49,975	4,950	–	459,502
Depreciation	7,181	14,197	4,745	5,362	505	–	31,990
Reclassification from assets held for sale	–	–	6,667	–	–	–	6,667
Impairment losses	22,313	12,687	–	–	–	–	35,000
Disposals	–	(6,164)	(245)	(84)	(224)	–	(6,717)
At 31 March 2021	186,469	214,846	64,643	55,253	5,231	–	526,442
Depreciation	6,204	12,816	3,608	4,379	420	–	27,427
Disposals	–	(5,932)	(350)	(585)	(226)	–	(7,093)
At 31 March 2022	**192,673**	**221,730**	**67,901**	**59,047**	**5,425**	**–**	**546,776**
Net book value							
At 31 March 2021	56,983	40,066	23,330	9,492	1,399	524	131,794
At 31 March 2022	**54,951**	**32,227**	**21,885**	**7,278**	**979**	**3,137**	**120,457**

Advance and progress payments comprise mainly plant, equipment and engine overhaul tooling (2021: plant, equipment and engine overhaul tooling).

Assets held for sale

Assets held for sale consist of aircraft rotables spares for specific aircraft types. With the COVID-19 pandemic exacerbating the early retirement of certain aircraft types, there are surplus in the supply of the aircraft rotable spares available in the market. With increased difficulty in selling these groups of aircraft rotable spares, Management decided to further write down the value of the assets held for sale to expected scrap value following quotes received from external bidders in a RFQ exercise that was carried out close to the year-end. The expected scrap value represents the fair value less costs to sell under the Group's accounting policy in Note 3(p). Accordingly, the write-down of $8,405,000 (2021: $1,937,000) recognised on assets held for sale was charged to current year's profit or loss

The fair value of aircraft rotable spares falls under level 3 of fair value hierarchy.

16. PROPERTY, PLANT AND EQUIPMENT (IN THOUSANDS OF $) (continued)

Assets held for sale (continued)

Movements of Assets Held for Sale for the current and previous years are set out below.

	The Group and Company
Balance as at 1 April 2020	14,227
Write-down	(1,937)
Reclassification from property, plant and equipment	(2,793)
Disposal during the year	(471)
Balance as at 31 March 2021	9,026
Write-down	(8,405)
Reclassification to property, plant and equipment	–
Disposal during the year	(261)
Balance as at 31 March 2022	**360**

Impairment test

The COVID-19 pandemic together with global travel restrictions and border controls has adversely affected the aviation and MRO sectors, and caused significant reduction in the Group's and Company's business volume and cash flows. Management has determined that this event is an indicator that the property, plant and equipment and right-of-use assets may be impaired. Management's impairment test included the following CGUs:

Airframe Maintenance Division ("BMD") CGU

The re-estimated recoverable amount of the BMD 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 approved financial forecasts factored in gradual recovery of work volume at hangars and increased margin through progressive implementation of transformation programmes, with gradual improvement in cash flows over the cash flow periods. The Group applied a pre-tax rate of 7.5% to discount the forecast cash flows. The terminal value assumed is premised on Year 5 cash flow through the expiry of the hangar lease period, i.e. at FY2039/40, at zero growth rate. Using these assumptions, the recoverable amount is able to support the carrying value of the non-financial assets deployed in the BMD CGU, net of accumulated impairment loss as brought forward from the prior year (2020/21: $35,000,000). However, as the outlook and timing of recovery for the aviation and MRO industries remain uncertain, there is an inherent risk of forecasting error embedded in the cash flow projections. As a result, the Group considers it necessary to perform sensitivity analysis on discount rate, assuming all things remain constant. Assuming the pre-tax discount rates of 8% – 9% are applied to reflect the forecasting risk error over the cash flow projections, the reduction in recoverable amount ranges from $4.2 million to $11.3 million. Should the range of recoverable amounts be extended to the simulated recoverable amounts at these higher discount rates as described, the net carrying value of the non-financial assets deployed in the BMD CGU continues to fall within this range of possible recoverable amounts.

Line Maintenance Division ("LMD") CGU

The recoverable amount of the LMD CGU has been determined based on value-in-use calculations using cash flow projections from financial forecasts approved by Management covering a five-year period (2021: five-year period). The number of international flights for line maintenance services the key driver supporting the cash flow forecast. The approved financial forecasts assume gradual recovery of flight operations over the cash flow periods, which is generally consistent with industry analysts' expectations. The pre-tax discount rate applied to cash flow projections is 9.0% (2021: 7.0%).

Under the above assumptions, the estimated recoverable amount of the LMD CGU continues to be in excess of the net carrying value of the property, plant and equipment, and as such, no impairment loss is considered necessary for the current year (FY2020/21: $Nil impairment loss).

17. RIGHT-OF-USE ASSETS (IN THOUSANDS OF $)

The carrying amount of right-of-use assets recognised and the movements during the year are as follows.

	Land and buildings	Plant and equipment	Office furniture and computer equipment	Motor vehicles	Total
The Group					
At 1 April 2020	94,456	1,972	287	344	97,059
Additions	3,981	82	22	22	4,107
Lease termination	(963)	(16)	–	(42)	(1,021)
Disposal of a subsidiary company	(80)	–	–	–	(80)
Depreciation	(27,436)	(631)	(101)	(177)	(28,345)
Exchange differences	(385)	(4)	(8)	(6)	(403)
At 31 March 2021	69,573	1,403	200	141	71,317
Additions	20,220	23	37	83	20,363
Derecognition of right-of-use assets	(219)	–	–	–	(219)
Depreciation	(27,553)	(552)	(100)	(117)	(28,322)
Exchange differences	(136)	1	1	–	(134)
At 31 March 2022	**61,885**	**875**	**138**	**107**	**63,005**
The Company					
At 1 April 2020	77,267	1,783	122	–	79,172
Additions	2,510	–	–	–	2,510
Reinstatement of right-of-use assets*	6,794	–	–	–	6,794
Depreciation	(23,800)	(527)	(25)	–	(24,352)
At 31 March 2021	62,771	1,256	97	–	64,124
Additions	19,578	–	37	56	19,671
Derecognition of right-of-use assets	(219)	–	–	–	(219)
Depreciation	(26,219)	(471)	(37)	(8)	(26,735)
At 31 March 2022	**55,911**	**785**	**97**	**48**	**56,841**

* A reinstatement of right-of-use ("ROU") assets was a result of a subsidiary terminating a sub-lease arrangement previously entered with the Company (refer to Note 19).

18. INTANGIBLE ASSETS (IN THOUSANDS OF $)

	Computer software	Deferred engine development costs	Advance and progress payments#	Total
The Group				
Cost				
At 1 April 2020	47,180	45,961	9,569	102,710
Additions	217	304	4,663	5,184
Transfers (including transfers to property, plant and equipment)	2,191	–	(3,556)	(1,365)
Disposals	(470)	(505)	(5,795)	(6,770)
Disposal of a subsidiary company	(382)	–	–	(382)
Exchange differences	(62)	(237)	–	(299)
At 31 March 2021	48,674	45,523	4,881	99,078
Additions	(64)	2	4,923	4,861
Transfers	4,414	–	(4,414)	–
Disposals	(632)	(479)	–	(1,111)
Exchange differences	16	212	–	228
At 31 March 2022	**52,408**	**45,258**	**5,390**	**103,056**
Accumulated amortisation and impairment losses				
At 1 April 2020	43,153	7,675	–	50,828
Amortisation	1,853	1,590	–	3,443
Disposal	(337)	(35)	–	(372)
Disposal of a subsidiary company	(292)	–	–	(292)
Impairment losses	–	11,360	–	11,360
Exchange differences	(54)	2,485	–	2,431
At 31 March 2021	44,323	23,075	–	67,398
Amortisation	2,030	1,460	–	3,490
Disposal	(632)	(62)	–	(694)
Exchange differences	(9)	85	–	76
At 31 March 2022	**45,712**	**24,558**	**–**	**70,270**
Net book value				
At 31 March 2021	4,351	22,448	4,881	31,680
At 31 March 2022	**6,696**	**20,700**	**5,390**	**32,786**

\# Advance and progress payments comprise mainly computer software (2021: computer software).

Impairment testing of deferred engine development costs

This relates to the Group's share of engine programme assets including development costs made in connection with its participation in aircraft engine development projects together with other companies (the "Cash-generating unit" or "CGU").

In the prior year, following suspension of one of the aircraft engine development projects, a full impairment loss of $11,360,000 associated with the Group's share of the capitalised costs of development was charged to profit or loss. Subsequent to the programme suspension, the Group terminated its participation in the affected aircraft engine development project. This termination, however, has not affected the business viability of the other engine programme.

18. INTANGIBLE ASSETS (IN THOUSANDS OF $) (continued)

Impairment testing of deferred engine development costs (continued)

An impairment assessment has been performed on the carrying value of the remaining engine programme, where the Group found no need for any impairment loss. The recoverable amount of the remaining engine programme has been determined based on value-in-use calculations using cash flow projections from business plan provided by the programme manager for the next 36 years (2021: 37 years). The pre-tax discount rate applied to cash flow projections is 8.0% (2021: 8.0%).

The calculations of value-in-use are most sensitive to the following assumptions:

Pre-tax discount rate – Discount rate represents the current market assessment of the risks specific to the engine development programme, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

Number and timing of engine sales – Number and timing of engine sales represent the projected number of aircraft engines expected to be sold each year after completing the engine development. Projected engine sales are based on current aircraft orders and expectations of market development.

	Computer software	Advance and progress payments#	Total
The Company			
Cost			
At 1 April 2020	44,731	9,125	53,856
Additions	70	4,663	4,733
Transfers (including transfers to property, plant and equipment)	2,191	(3,556)	(1,365)
Disposals	(93)	(5,351)	(5,444)
At 31 March 2021	46,899	4,881	51,780
Additions	(115)	4,923	4,808
Transfers	4,414	(4,414)	–
Disposals	(605)	–	(605)
At 31 March 2022	**50,593**	**5,390**	**55,983**
Accumulated amortisation			
At 1 April 2020	41,096	–	41,096
Amortisation	1,704	–	1,704
Disposals	(72)	–	(72)
At 31 March 2021	42,728	–	42,728
Amortisation	1,929	–	1,929
Disposals	(605)	–	(605)
At 31 March 2022	**44,052**	**–**	**44,052**
Net book value			
At 31 March 2021	4,171	4,881	9,052
At 31 March 2022	**6,541**	**5,390**	**11,931**

\# Advance and progress payments comprise mainly computer software (2021: computer software).

19. SUBSIDIARY COMPANIES (IN THOUSANDS OF $)

	The Company 31 March 2022	The Company 31 March 2021
Unquoted shares, at cost	**156,157**	155,857
Loan to a subsidiary company	**8,120**	–
Accumulated impairment loss	**(29,187)**	(29,187)
	135,090	126,670

(a) Composition of the Group

The subsidiary companies at 31 March are as follows:

Name of Company	Principal activities	Country of incorporation and place of business	Cost 2022	Cost 2021	Percentage equity held by the Group 2022	Percentage equity held by the Group 2021
NexGen Network (1) Holding Pte. Ltd. * +	Investment holding	Singapore	**12,000**	12,000	**100**	100
NexGen Network (2) Holding Pte. Ltd. *	Investment holding	Singapore	**56,177**	56,177	**100**	100
SIA Engineering (USA), Inc. #	Provide aircraft maintenance services, including technical and non-technical handling at the airport	United States of America	**1,358**	1,358	**100**	100
SIAEC Global Private Limited *	Investment holding	Singapore	**@**	@	**100**	100
SIA Engineering Japan Corporation #	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Japan	**4,711**	4,711	**100**	100
Singapore Aero Support Services Pte. Ltd. *	Maintenance, repair and overhaul of aircraft and cabin components/ systems	Singapore	**12,445**	12,445	**100**	100
Heavy Maintenance Singapore Services Pte. Ltd. * ++	Provide airframe maintenance and component overhaul services	Singapore	**17,187**	17,187	**100**	100

19. SUBSIDIARY COMPANIES (IN THOUSANDS OF $) (continued)

(a) Composition of the Group (continued)

Name of Company	Principal activities	Country of incorporation and place of business	Cost 2022	Cost 2021	Percentage equity held by the Group 2022	Percentage equity held by the Group 2021
SIA Engineering (Philippines) Corporation ^	Provide airframe maintenance and component overhaul services	Philippines	**38,645**	38,645	**100**	100
Additive Flight Solutions Pte. Ltd. *	Additive manufacturing of aircraft cabin parts and tooling for the aerospace industry	Singapore	**2,700**	2,400	**60**	60
Aerospace Component Engineering Services Pte. Limited *	Repair and overhaul of hydro-mechanical equipment for Boeing and Airbus aircraft	Singapore	**10,934**	10,934	**51**	51

* Audited by KPMG LLP, Singapore
^ Audited by member firms of KPMG International in the respective countries
@ Cost of investment and issued and paid-up share capital is $2
# Not required to be audited
+ In process of voluntary wind down
++ Ceased operations and remained dormant at financial year-end

During the financial year:

1. The Company invested approximately S$300,000 in Additive Flight Solutions Pte Ltd ("AFS").

2. The loan extended to a subsidiary company bears interest ranging from 2.02% to 2.89% per annum. The loan is non-trade related, and no repayment is expected in the foreseeable future. Accordingly, the Company has considered this loan arrangement as an extension of investment in the subsidiary company.

In the prior year:

1. The Company invested approximately $651,000 in SIA Engineering Japan Corporation ("SIAEJ").

2. The Company invested approximately $537,000 in NexGen Network (1) Holding Pte. Ltd. ("NGN1"). The Company recognised a full impairment loss of $12,000,000 on its investment in NGN1 following suspension of its aircraft engine development programme.

3. The Company sold its 51% interest in Aviation Partnership (Philippines) Corporation ("APPC") for a cash consideration of approximately $7,610,000. APPC ceased to be a subsidiary of SIAEC from 3 November 2020, upon completion of the divestment.

4. The Company acquired remaining 35% interest in SIA Engineering (Philippines) Corporation ("SIAEP") from non-controlling interest. Consequently, SIAEP became a wholly-owned subsidiary.

19. SUBSIDIARY COMPANIES (IN THOUSANDS OF $) (continued)

(a) Composition of the Group (continued)

5. The Company acquired remaining 35% interest in Heavy Maintenance Singapore Services Pte. Ltd. ("HMSS") from non-controlling interest. Consequently, HMSS became a wholly-owned subsidiary and the business operations, together with the airframe maintenance facilities and assembled workforce were integrated with the Company. Arising from this restructuring, an additional impairment loss of $10,804,000 was recognised and charged to profit or loss resulting in full write-down of cost of investment as at 31 March 2021.

Movements in allowance for impairment loss

	The Company 31 March 2022	2021
At 1 April	**(29,187)**	(6,383)
Impairment loss	**–**	(22,804)
At 31 March	**(29,187)**	(29,187)

Acquisition of non-controlling interests in 2021

HMSS

In the prior year, the Group acquired the remaining 35% of issued and paid-up share capital of HMSS at nominal consideration of $1 and received a cash compensation of $7,388,000 from a non-controlling shareholder for terminating the shareholders' agreement. At the Group, the compensation received net of incremental net liabilities assumed of $3,946,000 was recorded in the consolidated statement of changes in equity.

SIAEP

With the excess of incremental net assets acquired over the consideration (cash and contingent) settled, the Group recognised gain of $1,594,000 in the consolidated statement of changes in equity.

	31 March 2021
Consideration paid for acquisition of non-controlling interests	10,503
Contingent consideration	966
Decrease in equity attributable to non-controlling interests	(9,875)
Decrease in equity attributable to owners of the Company	1,594

19. SUBSIDIARY COMPANIES (IN THOUSANDS OF $) (continued)

(a) Composition of the Group (continued)

Disposal of a subsidiary company in 2021

The carrying values of assets and liabilities of APPC disposed off, together with the associated financial effects, are set out below:

	As at date of disposal
Property, plant and equipment	3,349
Right-of-use assets	80
Intangible assets	90
Trade and other debtors	8,337
Contract assets	1,404
Inventories	937
Cash and bank balances	2,279
Less: Trade and other creditors	(5,144)
Lease liabilities	(83)
Net assets derecognised	11,249
Less: Non-controlling interest	(5,512)
Net assets disposed	5,737
Surplus on disposal:	
Cash received	7,610
Contingent consideration	10
Net assets disposed	(5,737)
Realisation of foreign currency translation reserve	112
Realisation of other comprehensive income	(22)
Surplus on disposal	1,973

Contingent consideration

The Group is required to compensate the selling shareholder for any recovery of bad debts and insurance claims after the acquisition. The Group has included approximately $984,000 as contingent consideration related to the additional consideration.

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

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

Name	Principal place of business/Country of incorporation	Operating Segment	Ownership interests held by NCI 2022 %	2021 %
Aerospace Component Engineering Services Pte. Limited	Singapore	Engine and component	**49**	49

19. SUBSIDIARY COMPANIES (IN THOUSANDS OF $) (continued)

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

Summarised financial information before intercompany eliminations of subsidiary companies with material NCI are as follows:

	Aerospace Component Engineering Services Pte. Limited 31 March	
	2022	2021
Summarised balance sheet		
Current		
Assets	**18,713**	17,602
Liabilities	**(2,333)**	(2,044)
Net current assets	**16,380**	15,558
Non-Current		
Assets	**5,928**	6,154
Liabilities	**(1,478)**	(1,526)
Net non-current assets	**4,450**	4,628
Net assets	**20,830**	20,186
Summarised statement of comprehensive income		
Revenue	**14,724**	9,739
Profit before income tax	**1,395**	157
Taxation	**(63)**	47
Profit after tax and total comprehensive income	**1,332**	204
Other summarised information		
Net cash flow from operations	**1,864**	3,263
Acquisition of significant property, plant and equipment	**(625)**	(289)

20. ASSOCIATED COMPANIES (IN THOUSANDS OF $)

	The Group		The Company	
	2022	2021	2022	2021
Unquoted shares, at cost	**216,379**	219,437	**216,379**	219,437
Share of post-acquisition reserves	**335,890**	318,933	**–**	–
Share of other comprehensive income	**768**	811	**–**	–
Goodwill written-off to reserves	**(24,398)**	(24,398)	**–**	–
Translation adjustment	**(77,819)**	(80,270)	**–**	–
Accumulated Impairment loss	**(2,351)**	(2,744)	**(41,104)**	(28,870)
	448,469	431,769	**175,275**	190,567

The associated companies at 31 March are as follows:

Name of company	Principal activities	Country of incorporation and place of business	Cost 2022	Cost 2021	Percentage equity held by the Group 2022	Percentage equity held by the Group 2021
Boeing Asia Pacific Aviation Services Pte. Ltd. ^^^ ++	Provide engineering, material management and fleet support solutions	Singapore	**50,965**	50,965	**49.0**	49.0
Eagle Services Asia Private Limited #++	Repair and overhaul of aircraft engines	Singapore	**71,588**	71,588	**49.0**	49.0
Fuel Accessory Service Technologies Pte Ltd #+	Repair and overhaul of engine fuel components and accessories	Singapore	**5,071**	5,071	**49.0**	49.0
Moog Aircraft Services Asia Pte. Ltd. **	Repair and overhaul services for flight control systems	Singapore	**6,561**	6,561	**49.0**	49.0
PT Jas Aero-Engineering Services ^^++	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Indonesia	**3,675**	3,675	**49.0**	49.0
Southern Airports Aircraft Maintenance Services Company Limited ***++	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Vietnam	**1,117**	1,117	**49.0**	49.0
Component Aerospace Singapore Pte. Ltd. #+	Repair and overhaul of aircraft engine combustion chambers, guides, fuel nozzles and related parts	Singapore	**2,853**	2,853	**46.4**	46.4

20. ASSOCIATED COMPANIES (IN THOUSANDS OF $) (continued)

Name of company	Principal activities	Country of incorporation and place of business	Cost 2022	Cost 2021	Percentage equity held by the Group 2022	Percentage equity held by the Group 2021
JAMCO Aero Design & Engineering Private Limited *****	Provide turnkey solutions for aircraft interior modifications	Singapore	**767**	767	**45.0**	45.0
Panasonic Avionics Services Singapore Pte. Ltd.@	Provide line maintenance and repair services of in-flight entertainment systems	Singapore	**2,685**	2,685	**42.5**	42.5
Goodrich Aerostructures Service Center-Asia Pte. Ltd. #++	Repair and overhaul of aircraft nacelles, thrust reversers and pylons	Singapore	**37,220**	37,220	**40.0**	40.0
Pan Asia Pacific Aviation Services Limited *	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Hong Kong	**3,224**	3,224	**40.0**	40.0
Safran Electronics & Defense Services Asia Pte. Ltd. ****++	Provide avionics maintenance, repair and overhaul services	Singapore	**11,004**	11,004	**40.0**	40.0
Safran Landing Systems Services Singapore Pte. Ltd. *****++	Repair and overhaul of Boeing and Airbus series landing gears	Singapore	**13,971**	13,971	**40.0**	40.0
Asian Surface Technologies Pte Ltd ^++	Repair and overhaul of aircraft engine fan blades	Singapore	**–**	2,718	**–**	39.2
Turbine Coating Services Pte Ltd #+	Repair and overhaul of aircraft engine turbine airfoils	Singapore	**5,671**	5,671	**24.5**	24.5
Line Maintenance Partnership (Thailand) Company Limited ##++	Provide aircraft maintenance services, including technical and non-technical handling at the airport	Thailand	**–**	340	**–**	49.0
GE Aviation, Overhaul Services – Singapore Pte. Ltd ##++	Repair and servicing of aircraft and spacecraft (including aircraft engines and other parts)	Singapore	**7**	7	**49.0**	49.0

20. ASSOCIATED COMPANIES (IN THOUSANDS OF $) (continued)

@ Audited by KPMG LLP, Singapore
# Audited by PriceWaterhouseCoopers, Singapore
Not required to be audited by laws of country of incorporation
* Audited by BDO Limited, Hong Kong
** Audited by Ernst & Young LLP, Singapore
*** Audited by Deloitte & Touche, Vietnam
**** Audited by Mazars LLP, Singapore
***** Audited by Grant Thornton LLP, Singapore
^ Audited by RSM Chio Lim, Singapore
^^ Audited by Ernst & Young LLP, Indonesia
^^^ Audited by Deloitte & Touche, Singapore
+ Financial year end 30 November
++ Financial year end 31 December

During the financial year:

1. Boeing Asia Pacific Aviation Services Pte. Ltd ("BAPAS") has been loss making and planned to enter into a business restructuring after fulfilling remaining customer contracts. As a result, the Group and Company wrote down the carrying value of investment to its expected realisable value of net assets comprising predominantly monetary assets and liabilities and recorded additional impairment losses of $2,351,000 and $15,300,000 (2021: $Nil and $25,812,000) respectively during the year. In the prior year, the recoverable amount of BAPAS was premised on cash flows from remaining customer contracts and post-restructuring MRO consultancy business and discounted at pre-tax rate of 7.0%.

2. In October 2021, the Company sold the entire 39.2% shareholding in Asian Surface Technologies Pte. Ltd. ("AST") to PAS Technologies B.V. ("PAS"). The cash consideration was approximately $3,768,000 and the gain on divestment, net of reversal of impairment loss of $2,538,000 previously recognised was $2,618,000.

3. Following the registration for dissolution of Line Maintenance Partnership (Thailand) Company Limited ("LMPT") in the prior year, LMPT completed its liquidation procedure.

Movements in allowance for impairment loss

	The Group 2022	The Group 2021	The Company 2022	The Company 2021
At 1 April	**(2,744)**	(2,538)	**(28,870)**	(2,718)
Impairment loss reversed	**2,744**	–	**3,066**	–
Impairment loss recognised	**(2,351)**	(206)	**(15,300)**	(26,152)
At 31 March	**(2,351)**	(2,744)	**(41,104)**	(28,870)

The carrying amount of the material investment is as follows:

	The Group 31 March 2022	The Group 31 March 2021
Eagle Services Asia Private Limited ("ESA")	**253,523**	224,502
Other associated companies	**194,946**	207,267
	448,469	431,769

The activities of ESA complement the Group's activities.

No dividends were received from ESA in 2021/22 (2020/21: $Nil).

20. ASSOCIATED COMPANIES (IN THOUSANDS OF $) (continued)

Summarised financial information in respect of ESA is as follows:

	The Group 31 March 2022	2021
Summarised balance sheet		
Funds employed:		
Current assets	**703,434**	732,788
Non-current assets	**134,965**	148,380
	838,399	881,168
Current liabilities	**(303,003)**	(394,390)
Non-current liabilities	**(18,001)**	(28,610)
	517,395	458,168
Financed by:		
Shareholders' equity	**517,395**	458,168

	2021/22	2020/21
Summarised statement of comprehensive income		
Revenue	**1,631,391**	1,582,871
Profit after taxation from continuing operations	**56,632**	18,005
Total comprehensive income	**56,632**	18,005

The summarised financial information presented is extracted from the last audited financial statements available and unaudited management financial statements of ESA, prepared in conformity with the group accounting policies.

A reconciliation of the summarised financial information to the carrying amounts of ESA is as follows:

	The Group 31 March 2022	2021
Group's share of 49% of net assets	**253,523**	224,502

The remaining financial information about the Group's investment in associated companies that are not individually material.

20. ASSOCIATED COMPANIES (IN THOUSANDS OF $) (continued)

The Group's share of the assets and liabilities comprises:

	The Group 31 March 2022	2021
Summarised balance sheet		
Funds employed:		
Current assets	**201,558**	248,346
Non-current assets	**86,705**	74,462
	288,263	322,808
Current liabilities	**(85,709)**	(108,209)
Non-current liabilities	**(10,619)**	(10,343)
	191,935	204,256
Financed by:		
Shareholders' equity	**191,935**	204,256

The Group's share of the results is as follows:

	2021/22	2020/21
Summarised statement of comprehensive income		
Profit after tax from continuing operations	**21,946**	16,912
Other comprehensive income	**(43)**	355
Total comprehensive income	**21,903**	17,267

21. JOINT VENTURE COMPANY (IN THOUSANDS OF $)

	The Group 31 March 2022	2021	The Company 31 March 2022	2021
Unquoted shares, at cost	**61,867**	61,867	**61,867**	61,867
Share of post-acquisition reserves	**161,674**	132,276	**–**	–
Share of other comprehensive income	**(1,033)**	(2,968)	**–**	–
Translation adjustment	**(19,752)**	(20,955)	**–**	–
	202,756	170,220	**61,867**	61,867

21. JOINT VENTURE COMPANY (IN THOUSANDS OF $) (continued)

The joint venture company at 31 March is as follows:

Name of company	Principal activities	Country of incorporation and place of business	Cost 2022	Cost 2021	Percentage equity held by the Group 2022	Percentage equity held by the Group 2021
Singapore Aero Engine Services Private Limited @	Repair and overhaul of aircraft engines	Singapore	**61,867**	61,867	**50.0**	50.0

@ Audited by KPMG LLP, Singapore, financial year end of 31 December

The carrying amount of the material investment is as follows:

	The Group 31 March 2022	The Group 31 March 2021
Singapore Aero Engine Services Private Limited ("SAESL")	**202,756**	170,220

The Group has 50% (2021: 50%) interest in the ownership and voting rights in SAESL. The activities of SAESL complement the Group's activities. The Group jointly controls SAESL with other partner governed under a contractual agreement that requires unanimous consent for all major decisions over the relevant activities.

No dividends (2020/21: $2,900,000) were received from SAESL.

Summarised financial information in respect of SAESL is as follows:

	31 March 2022	31 March 2021
Summarised balance sheet		
Funds employed:		
Cash and short-term deposits	**94,645**	24,523
Other current assets	**1,160,175**	721,911
Total current assets	**1,254,820**	746,434
Non-current assets	**265,815**	292,413
Total assets	**1,520,635**	1,038,847
Current liabilities	**(1,025,211)**	(585,407)
Non-current liabilities	**(89,913)**	(113,001)
Total liabilities	**(1,115,124)**	(698,408)
Net assets	**405,511**	340,439
Financed by:		
Shareholders' equity	**405,511**	340,439

21. JOINT VENTURE COMPANY (IN THOUSANDS OF $) (continued)

	The Group 2021/22	The Group 2020/21
Summarised statement of comprehensive income		
Revenue	**2,708,375**	1,677,854
Depreciation and amortisation	**(37,029)**	(37,603)
Interest income	**117**	93
Interest expense	**(5,288)**	(7,132)
Profit before tax	**57,816**	33,640
Taxation	**979**	(5,333)
Profit after taxation	**58,795**	28,307
Other comprehensive income	**3,871**	18,232
Total comprehensive income	**62,666**	46,539

The summarised financial information presented is extracted from the last audited financial statements available and unaudited management financial statements of SAESL, prepared in accordance with SFRS(I).

A reconciliation of the summarised financial information to the carrying amounts of SAESL is as follows:

	The Group 31 March 2022	The Group 31 March 2021
Group's share of 50% of net assets	**202,756**	170,220

22. TRADE DEBTORS (IN THOUSANDS OF $)

	The Group 31 March 2022	The Group 31 March 2021	The Company 31 March 2022	The Company 31 March 2021
Trade debtors, net	**35,351**	34,817	**24,290**	26,222

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

	The Group 31 March 2022	The Group 31 March 2021	The Company 31 March 2022	The Company 31 March 2021
Not past due and not impaired	**17,352**	9,848	**11,219**	5,279
Past due				
Trade debtors – collectively assessed	**21,308**	27,829	**15,559**	23,373
Less: Accumulated impairment losses	**(3,309)**	(2,860)	**(2,488)**	(2,430)
	17,999	24,969	**13,071**	20,943
Credit-impaired trade debtors – individually assessed	**3,604**	4,369	**1,592**	1,537
Less: Accumulated impairment losses	**(3,604)**	(4,369)	**(1,592)**	(1,537)
	–	–	**–**	–
Total trade debtors, net	**35,351**	34,817	**24,290**	26,222

22. TRADE DEBTORS (IN THOUSANDS OF $) (continued)

Trade debtors are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The carrying amount of trade debtors impaired by credit losses is reduced through the use of an allowance account unless on the date the impairment loss is recognised, the Group ascertains the amount to be uncollectible whereby it would be reduced directly. 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 are considered indicators that the trade debtor is credit-impaired. Individual trade debt is written off when Management deems the amount not to be collectible.

As at 31 March 2022, trade debtors in currencies other than the Group's functional currencies which were denominated in United States Dollars amounted to 52% (2021: 51%) for the Group and 75% (2021: 67%) for the Company.

23. CONTRACT BALANCES (IN THOUSANDS OF $)

The following table provides information about contract assets and contract liabilities from contracts with customers.

	The Group 31 March		The Company 31 March	
	2022	**2021**	**2022**	**2021**
Contract assets	**124,562**	101,572	**118,770**	93,667
Contract liabilities	**(12,703)**	(11,305)	**(12,648)**	(11,089)

Contract assets relate to the Group's and Company's rights to consideration for work completed but not billed at the reporting date. Included in contract assets are services rendered to immediate holding company of approximately $70,406,000 (2021: $61,080,000) and $70,291,000 (2021: $61,007,000) for the Group and Company respectively; and services rendered to fellow subsidiaries of the immediate holding company of approximately $17,286,000 (2021: $5,332,000) and $17,277,000 (2021: $5,515,000) for the Group and Company respectively. The contract assets are transferred to trade debtors when the rights become unconditional. This usually occurs when the Group and Company invoice the customers.

During the year, the Group made a provision for impairment of $141,000 (2021: $239,000) on contract assets that have been assessed as credit-impaired.

The contract liabilities primarily relate to advance consideration received from customers for fixed price package contracts for which revenue is recognised over time over the periods of service performance.

23. CONTRACT BALANCES (IN THOUSANDS OF $) (continued)

Significant changes in the contract assets and the contract liabilities balances during the year are as follows.

	Contract assets 31 March		Contract liabilities 31 March	
	2022	**2021**	**2022**	**2021**
The Group				
(a) Revenue recognised that was included in the contract liability balance at the beginning of the year	**–**	–	**5,829**	15,444
(b) Increases due to cash received, excluding amounts recognised as revenue during the year	**–**	–	**(7,213)**	(10,302)
(c) Contract assets recognised	**143,506**	127,255	**–**	–
(d) Transfer from contract assets to trade debtors	**(119,282)**	(255,481)	**–**	–
The Company				
(a) Revenue recognised that was included in the contract liability balance at the beginning of the year	**–**	–	**5,188**	14,071
(b) Increases due to cash received, excluding amounts recognised as revenue during the year	**–**	–	**(6,747)**	(8,776)
(c) Contract assets recognised	**107,136**	80,877	**–**	–
(d) Transfer from contract assets to trade debtors	**(80,708)**	(183,254)	**–**	–

24. PREPAYMENTS AND OTHER DEBTORS (IN THOUSANDS OF $)

	The Group 31 March		The Company 31 March	
	2022	**2021**	**2022**	**2021**
Current assets				
Prepayments	**9,415**	5,469	**1,447**	782
Other debtors	**27,455**	36,489	**25,873**	32,622
	36,870	41,958	**27,320**	33,404
Non-current assets				
Prepayments	**3,891**	8,697	**–**	–

24 PREPAYMENTS AND OTHER DEBTORS (IN THOUSANDS OF $) (continued)

As at 31 March 2022, the contract/notional amounts of the forward currency contracts were approximately $31,169,000 (2021: $35,037,000) for the Group and Company. These contracts were entered into by the Company's immediate holding company, on behalf of the Group and Company, and the fair value gain of $109,000 (2021: $42,000) for the Group and Company were recorded in other debtors.

Other debtors also included JSS grant receivable of approximately $22,263,000 (2021: $21,699,000) and $21,818,000 (2021: $20,662,000) for the Group and Company, respectively.

Of the outstanding prepayments, $7,881,000 (2021: $10,708,000) is held by a wholly-owned subsidiary company's programme partner to be used for settlement of the Group's share of future net financial obligations to the programme over the remaining period of approximately 2 years (2021: 3 years).

25. AMOUNTS OWING BY IMMEDIATE HOLDING COMPANY (IN THOUSANDS OF $)

The amounts due from the immediate holding company, which are carried at amortised cost, are unsecured, trade-related, interest-free and are repayable based on agreed trade terms. The Group has an arrangement with its immediate holding company to settle the net amounts due to or from each other in cash, based on the agreed terms.

The Group's receivables and payables from/(to) immediate holding company that are subject to offsetting arrangement are as follows:

	The Group 31 March 2022			The Company 31 March 2022		
	Gross carrying amount	Gross amounts offset in the balance sheet	Net amounts in the balance sheet	Gross carrying amount	Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Receivables	**77,479**	**(41,014)**	**36,465**	**77,144**	**(41,014)**	**36,130**
Payables	**(41,014)**	**41,014**	**–**	**(41,014)**	**41,014**	**–**

	31 March 2021			31 March 2021		
	Gross carrying amount	Gross amounts offset in the balance sheet	Net amounts in the balance sheet	Gross carrying amount	Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Receivables	108,626	(40,058)	68,568	108,453	(40,058)	68,395
Payables	(40,058)	40,058	–	(40,058)	40,058	–

26. AMOUNTS OWING BY/(TO) RELATED PARTIES (IN THOUSANDS OF $)

The amounts owing by/(to) related parties of the Group are unsecured, trade-related, interest-free and are repayable based on agreed terms.

The Group has an arrangement with its related parties to settle the net amounts due to or from each other in cash, based on the agreed terms.

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Amounts owing by related parties				
– Fellow subsidiaries	**15,073**	16,087	**14,948**	14,444
– Subsidiaries	**–**	–	**6,266**	11,207
– Joint venture/associated companies	**5,569**	1,975	**5,515**	1,921
– Others	**61**	874	**61**	874
	20,703	18,936	**26,790**	28,446
Amounts owing to related parties				
– Subsidiaries	**–**	–	**(10,214)**	(9,885)
– Joint venture/associated companies	**(1,456)**	(2,795)	**(1,456)**	(2,794)
	(1,456)	(2,795)	**(11,670)**	(12,679)

The Group's receivables and payables from/(to) related parties that are subject to offsetting arrangement are as follows:

	The Group 31 March 2022			The Company 31 March 2022		
	Gross carrying amount	Gross amounts offset in the balance sheet	Net amounts in the balance sheet	Gross carrying amount	Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Amounts owing by related parties						
– Fellow subsidiaries	**15,073**	**–**	**15,073**	**14,948**	**–**	**14,948**
– Subsidiaries	**–**	**–**	**–**	**6,404**	**(138)**	**6,266**
– Joint venture/associated companies	**5,569**	**–**	**5,569**	**5,515**	**–**	**5,515**
– Others	**61**	**–**	**61**	**61**	**–**	**61**
	20,703	**–**	**20,703**	**26,928**	**(138)**	**(26,790)**
Amounts owing to related parties						
– Subsidiaries	**–**	**–**	**–**	**(10,373)**	**159**	**(10,214)**
– Joint venture/associated companies	**(1,456)**	**–**	**(1,456)**	**(1,456)**	**–**	**(1,456)**
	(1,456)	**–**	**(1,456)**	**(11,829)**	**159**	**(11,670)**

26. AMOUNTS OWING BY/(TO) RELATED PARTIES (IN THOUSANDS OF $) (continued)

	The Group 31 March 2021 Gross carrying amount	Gross amounts offset in the balance sheet	Net amounts in the balance sheet	The Company 31 March 2021 Gross carrying amount	Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Amounts owing by related parties						
– Fellow subsidiaries	16,087	–	16,087	14,444	–	14,444
– Subsidiaries	–	–	–	12,441	(1,234)	11,207
– Joint venture/ associated companies	1,975	–	1,975	1,921	–	1,921
– Others	874	–	874	874	–	874
	18,936	–	18,936	29,680	(1,234)	28,446
Amounts owing to related parties						
– Subsidiaries	–	–	–	(9,980)	95	(9,885)
– Joint venture/ associated companies	(2,795)	–	(2,795)	(2,794)	–	(2,794)
	(2,795)	–	(2,795)	(12,774)	95	(12,679)

Amounts owing by related parties are stated after deducting impairment losses. During the year, the Group and Company made a full impairment loss of $19,000 (2020/21: $3,936,000) and Nil (2020/21: $11,917,000) respectively on amounts owing by related parties that have been assessed as credit-impaired.

27. INVENTORIES (IN THOUSANDS OF $)

	The Group 31 March 2022	2021	The Company 31 March 2022	2021
Aircraft and component spares	**27,354**	27,415	**20,846**	21,879
Consumable stores and stocks	**5,640**	7,697	**294**	2,137
Total inventories at lower of cost and net realisable value	**32,994**	35,112	**21,140**	24,016

Inventories are stated after deducting provision for stock obsolescence. An analysis of the provision for stock obsolescence is as follows:

	The Group 31 March 2022	2021	The Company 31 March 2022	2021
Balance at 1 April	**22,394**	20,593	**21,735**	19,912
Charge to profit or loss, net	**2,971**	2,555	**2,194**	1,997
Provision utilised during the year	**(363)**	(754)	**(47)**	(174)
Balance at 31 March	**25,002**	22,394	**23,882**	21,735

28. SHORT-TERM DEPOSITS (IN THOUSANDS OF $)

	The Group 31 March 2022	2021	The Company 31 March 2022	2021
Deposits placed with the immediate holding company	**568,559**	506,644	**568,559**	506,644
Fixed deposits placed with banks	**15,448**	14,853	**1,522**	1,522
	584,007	521,497	**570,081**	508,166

The surplus funds of the Group's working capital requirements are placed in short-term deposits with the immediate holding company and external financial institutions for varying periods depending on the immediate cash requirements of the Group. These deposits earn interest ranging from 0.05% to 1.42% (2020/21: 0.01% to 2.62%) per annum and can be withdrawn on demand. The interest rates are repriced at varying periods ranging from 1 to 12 months (2021: 1 to 12 months).

As at 31 March 2022, short-term deposits in currencies other than the Group's functional currencies which were denominated in United States Dollars amounted to 18% (2021: 17%) for the Group and 18% (2021: 18%) for the Company.

29. CASH AND BANK BALANCES

These balances are placed in current accounts earning interest at floating rates based on daily bank deposit rates ranging from 0.0% to 0.05% (2020/21: 0.0% to 0.3%) per annum.

As at 31 March 2022, cash and bank balances in currencies other than the Group's functional currencies which were denominated in United States Dollars amounted to 14% (2021: 18%) for the Group and 44% (2021: 22%) for the Company.

30. TRADE AND OTHER CREDITORS (IN THOUSANDS OF $)

	The Group 31 March 2022	2021	The Company 31 March 2022	2021
Trade	**17,044**	9,862	**10,682**	2,943
Accruals	**102,250**	111,841	**90,179**	101,799
Contingent consideration	**984**	956	**984**	956
Deferred income	**4,716**	32,459	**4,611**	30,685
Provision for warranty claims	**2,903**	1,468	**2,440**	1,089
	127,897	156,586	**108,896**	137,472

These amounts are non-interest bearing.

As at 31 March 2022, trade and other creditors in currencies other than the Group's functional currencies which were denominated in United States Dollars amounted to 7% (2021: 6%) for the Group and 9% (2021: 7%) for the Company.

Disclosures relating to contingent consideration are in Note 19.

30. TRADE AND OTHER CREDITORS (IN THOUSANDS OF $) (continued)

Deferred income

Under the JSS, employers receive cash grants in relation to the gross monthly wages of eligible employees. At 31 March 2022, the cumulative grants received that were intended to defray the Group's payroll costs in future periods are recorded as "deferred income". Such deferred income shall be released to future period's profit or loss on a systematic basis over the remaining periods.

In accordance with ISCA Financial Reporting Bulletin 6 ("FRB 6") *COVID-19 Government Relief Measures: Accounting for the grant provided by the Singapore Government for wages paid to local employees under the Jobs Support Scheme*, the Group exercised its judgement to use the JSS to defray payroll costs across the relevant periods most affected by the pandemic.

Provision for warranty claims

An analysis of the provision for warranty claims is as follows:

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Balance at 1 April	**1,468**	1,406	**1,089**	591
Charge to profit or loss, net	**2,200**	840	**1,351**	677
Provision utilised during the year	**(765)**	(778)	**–**	(179)
Balance at 31 March	**2,903**	1,468	**2,440**	1,089

31. LEASES (IN THOUSANDS OF $)

(a) As lessee

The Group and the Company have entered into lease agreements for certain plant and equipment, office furniture and computer equipment and land and buildings. These non-cancellable leases have lease terms of between 1 and 48 years (2021: 1 and 48 years). There are no restrictions placed upon the Group or the Company under these arrangements.

Amounts recognised in consolidated income statement

	The Group	
	2021/22	2020/21
Leases under IFRS 16		
Finance charges	**2,362**	2,671
Income from sub-leasing right-of-use assets	**(90)**	(88)
Expenses relating to variable lease payments not included in the measurement of lease liabilities	**807**	807
Expenses relating to short-term leases	**783**	2,267
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**268**	355

31. LEASES (IN THOUSANDS OF $) (continued)

(a) As lessee (continued)

Amounts recognised in statement of cash flows

	The Group	
	2021/22	2020/21
Total cash outflow for leases	**28,147**	27,473

Extension options

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options, and if so, these extension options are included in the measurement of lease liabilities. The Group also reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension options, would not be material.

Rent concessions

The Group negotiated rent concessions with its landlords for the majority of its property leases as a result of the severe impact of the COVID-19 pandemic during the year. The Group applied the practical expedient for COVID-19-related rent concessions consistently to eligible rent concessions relating to its property leases.

The amount recognised in profit or loss for the reporting period to reflect changes in lease payments arising from rent concessions to which the Group has applied the practical expedient for COVID-19-related rent concessions is $1,471,000 (2020/21: $2,790,000). A rent concession of $1,052,000 was granted by the immediate holding company in the previous year. There was no rent concession from immediate holding company in the current year.

(b) As lessor

Operating lease

As at 31 March 2022, the Company leased its property to another subsidiary for a lease term of 3 years and a joint venture for a lease term of 1 year. Another subsidiary also leased out its property to a third party for a period of 9 months (2021: 9 months).

The future minimum lease receivables under non-cancellable operating leases are as follows:

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Within one year	**79**	68	**152**	564
After one year but less than 5 years	**–**	–	**140**	335
	79	68	**292**	899

32. BANK LOANS (IN THOUSANDS OF $)

	The Group 31 March 2022	2021
Current liabilities		
Current portion of long-term bank loan	–	2,314
Revolving credit facilities	2,801	4,816
	2,801	7,130
Non-current liability		
Long-term bank loan	–	2,785

The revolving credit facilities denominated in United States dollars taken by a subsidiary company are unsecured and bear interest at an average floating rate of 2.38% (2020/21: 1.44% to 2.70%) per annum. The current revolving credit facilities shall be repayable within 12 months after the reporting date

Prior to the loan settlement, the long-term bank loan denominated in United States dollars taken by a subsidiary company was unsecured, bore interest at an average floating rate of 1.44% per annum, and re-priced on a quarterly basis. This loan was fully repaid during the year.

33. CASH FLOW FROM OPERATING ACTIVITIES (IN THOUSANDS OF $)

	The Group 2021/22	2020/21
Profit/(Loss) before taxation	**49,160**	(35,587)
Adjustments for:		
Depreciation	**59,844**	67,759
Amortisation of intangible assets	**3,490**	3,443
Impairment loss allowance for trade receivables, contract assets and amounts owing by related parties	**93**	1,956
Share-based compensation expense	**3,810**	3,222
Rent concessions	**(1,471)**	(2,790)
Unrealised exchange differences	**(940)**	4,195
Interest income	**(1,816)**	(3,947)
Finance charges	**2,633**	2,922
(Surplus)/Loss on disposal of property, plant and equipment and intangible assets	**(687)**	5,007
Surplus on disposal of associated companies	**(2,618)**	–
Surplus on disposal of a subsidiary company	**–**	(1,973)
Impairment of associated companies	**2,145**	206
Impairment of non-financial assets	**8,405**	48,297
Share of profits of associated and joint venture companies, net of tax	**(79,092)**	(39,888)
Operating profit before working capital changes	**42,956**	52,822
Decrease/(Increase) in debtors	**10,070**	(3,905)
(Increase)/Decrease in contract assets	**(22,890)**	130,984
Decrease in inventories	**2,118**	3,394
Decrease in creditors	**(28,062)**	(17,749)
Increase/(Decrease) in contract liabilities	**1,398**	(5,123)
Decrease/(Increase) in amounts owing by immediate holding company	**31,388**	(16,968)
(Increase)/Decrease in amounts owing by related parties, net	**(3,068)**	35,011
Cash generated from operations	**33,910**	178,466
Income taxes paid	**(4,710)**	(12,675)
Net cash provided by operating activities	**29,200**	165,791

33. CASH FLOW FROM OPERATING ACTIVITIES (IN THOUSANDS OF $) (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

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.

	Long-term lease liabilities	Lease liabilities	Long-term bank loan	Bank loans	Total
Balance at 1 April 2021	**52,433**	**21,731**	**2,785**	**7,130**	**84,079**
Changes from financing cash flows					
Finance charges paid*	**–**	**–**	**(102)**	**(17)**	**(119)**
Repayment of lease liabilities	**–**	**(28,147)**	**–**	**–**	**(28,147)**
Repayment of borrowings	**–**	**–**	**–**	**(7,135)**	**(7,135)**
Total changes from financing cash flows	**–**	**(28,147)**	**(102)**	**(7,152)**	**(35,401)**
Non-cash changes					
Interest expense	**–**	**2,362**	**102**	**17**	**2,481**
Additions	**15,378**	**4,775**	**–**	**–**	**20,153**
Reclassification	**(29,272)**	**29,272**	**(2,801)**	**2,801**	**–**
Rent concessions	**–**	**(1,471)**	**–**	**–**	**(1,471)**
Foreign exchange movement	**(115)**	**(15)**	**16**	**5**	**(109)**
	(14,009)	**34,923**	**(2,683)**	**2,823**	**21,054**
Balance at 31 March 2022	**38,424**	**28,507**	**–**	**2,801**	**69,732**

	Long-term lease liabilities	Lease liabilities	Long-term bank loan	Bank loans	Total
Balance at 1 April 2020	77,891	21,318	7,335	5,868	112,412
Changes from financing cash flows					
Finance charges paid	–	–	(250)	(1)	(251)
Repayment of lease liabilities	–	(27,473)	–	–	(27,473)
Proceeds from borrowings	–	–	–	673	673
Repayment of borrowings	–	–	–	(3,183)	(3,183)
Total changes from financing cash flows	–	(27,473)	(250)	(2,511)	(30,234)
Non-cash changes					
Interest expense	–	2,671	250	1	2,922
Additions	2,913	173	–	–	3,086
Reclassification	(27,893)	27,893	(4,102)	4,102	–
Disposal of a subsidiary company	(76)	(7)	–	–	(83)
Rent concessions	–	(2,790)	–	–	(2,790)
Foreign exchange movement	(402)	(54)	(448)	(330)	(1,234)
	(25,458)	27,886	(4,300)	3,773	1,901
Balance at 31 March 2021	52,433	21,731	2,785	7,130	84,079

* Excluding fair value changes in contingent consideration recognised in profit or loss

34. CAPITAL EXPENDITURE COMMITMENTS (IN THOUSANDS OF $)

The Group and the Company have commitments for capital expenditure, with an aggregate value of approximately $51,022,000 (2021: $34,688,000) and $49,994,000 (2021: $32,645,000) respectively.

In addition, the Group's share of a joint venture company's commitments for capital expenditure is approximately $2,091,000 (2021: $4,909,000).

As covered in Note 2 to the financial statements, the Group and the Company will review the need and timing of these commitments to conserve cash where prudent to deal with continuing uncertainties from COVID-19 pandemic and ongoing geopolitical conflicts.

35. FINANCIAL INSTRUMENTS (IN THOUSANDS OF $)

(a) Classification 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 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and financial liabilities in the balance sheet by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

	Financial assets at amortised cost	Derivatives used for hedging at fair value	Financial liabilities at amortised cost	Mandatorily at FVTPL – others	Total
The Group					
31 March 2022					
Assets					
Trade debtors	35,351	–	–	–	35,351
Other debtors	27,346	109	–	–	27,455
Amount due from immediate holding company	36,465	–	–	–	36,465
Amounts owing by related parties	20,703	–	–	–	20,703
Short-term deposits	584,007	–	–	–	584,007
Cash and bank balances	41,470	–	–	–	41,470
Total financial assets	745,342	109	–	–	745,451
Assets held for sale					360
Total non-financial assets					1,092,382
Total assets					1,838,193
Liabilities					
Trade and other creditors*	–	–	122,197	–	122,197
Contingent consideration	–	–	–	984	984
Amounts owing to related parties	–	–	1,456	–	1,456
Bank loans	–	–	2,801	–	2,801
Total financial liabilities	–	–	126,454	984	127,438
Total non-financial liabilities					89,350
Total liabilities					216,788

* Excluding deferred income and contingent consideration

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022

35. FINANCIAL INSTRUMENTS (IN THOUSANDS OF $) (continued)

(a) Classification of financial instruments (continued)

	Financial assets at amortised cost	Derivatives used for hedging at fair value	Financial liabilities at amortised cost	Mandatorily at FVTPL – others	Total
The Group					
31 March 2021					
Assets					
Trade debtors	34,817	–	–	–	34,817
Other debtors	36,447	42	–	–	36,489
Amount due from immediate holding company	68,568	–	–	–	68,568
Amounts owing by related parties	18,936	–	–	–	18,936
Short-term deposits	521,497	–	–	–	521,497
Cash and bank balances	94,467	–	–	–	94,467
Total financial assets	774,732	42	–	–	774,774
Assets held for sale					9,026
Total non-financial assets					1,025,968
Total assets					1,809,768
Liabilities					
Trade and other creditors*	–	–	123,171	–	123,171
Contingent consideration	–	–	–	956	956
Amounts owing to related parties	–	–	2,795	–	2,795
Bank loans	–	–	7,130	–	7,130
Long-term bank loan	–	–	2,785	–	2,785
Total financial liabilities	–	–	135,881	956	136,837
Total non-financial liabilities					128,645
Total liabilities					265,482

* Excluding deferred income and contingent consideration

35. FINANCIAL INSTRUMENTS (IN THOUSANDS OF $) (continued)

(a) Classification of financial instruments (continued)

	Financial assets at amortised cost	Derivatives used for hedging at fair value	Financial liabilities at amortised cost	Mandatorily at FVTPL – others	Total
The Company					
31 March 2022					
Assets					
Trade debtors	24,290	–	–	–	24,290
Other debtors	25,764	109	–	–	25,873
Immediate holding company	36,130	–	–	–	36,130
Loan to a subsidiary company	8,120	–	–	–	8,120
Amounts owing by related parties	26,790	–	–	–	26,790
Short-term deposits	570,081	–	–	–	570,081
Cash and bank balances	13,486	–	–	–	13,486
Total financial assets	704,661	109	–	–	704,770
Assets held for sale					360
Total non-financial assets					711,296
Total assets					1,416,426
Liabilities					
Trade and other creditors*	–	–	103,301	–	103,301
Contingent consideration	–	–	–	984	984
Amounts owing to related parties	–	–	11,670	–	11,670
Total financial liabilities	–	–	114,971	984	115,955
Total non-financial liabilities					81,695
Total liabilities					197,650

* Excluding deferred income and contingent consideration

35. FINANCIAL INSTRUMENTS (IN THOUSANDS OF $) (continued)

(a) Classification of financial instruments (continued)

	Financial assets at amortised cost	Derivatives used for hedging at fair value	Financial liabilities at amortised cost	Mandatorily at FVTPL – others	Total
The Company					
31 March 2021					
Assets					
Trade debtors	26,222	–	–	–	26,222
Other debtors	32,580	42	–	–	32,622
Immediate holding company	68,395	–	–	–	68,395
Amounts owing by related parties	28,446	–	–	–	28,446
Short-term deposits	508,166	–	–	–	508,166
Cash and bank balances	66,465	–	–	–	66,465
Total financial assets	730,274	42	–	–	730,316
Assets held for sale					9,026
Total non-financial assets					702,539
Total assets					1,441,881
Liabilities					
Trade and other creditors*	–	–	105,831	–	105,831
Contingent consideration	–	–	–	956	956
Amounts owing to related parties	–	–	12,679	–	12,679
Total financial liabilities	–	–	118,510	956	119,466
Total non-financial liabilities					117,736
Total liabilities					237,202

* Excluding deferred income and contingent consideration

(b) Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

35. FINANCIAL INSTRUMENTS (IN THOUSANDS OF $) (continued)

(b) Fair values (continued)

Financial instruments carried at fair value

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	The Group and Company 31 March 2022			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs, other than quoted price (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements				
Financial Asset				
Currency hedging contracts	–	109	–	109
Financial liability				
Contingent consideration	–	–	(984)	(984)
	–	109	(984)	(875)

	The Group and Company 31 March 2021			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs, other than quoted price (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements				
Financial Asset				
Currency hedging contracts	–	42	–	42
Financial liability				
Contingent consideration	–	–	(956)	(956)
	–	42	(956)	(914)

Level 2 fair value measurements

The Group and Company have carried all derivative instruments at their fair values.

The fair value of forward currency contracts is determined by reference to current forward exchange rates for contracts with similar maturity profiles.

35. FINANCIAL INSTRUMENTS (IN THOUSANDS OF $) (continued)

(b) Fair values (continued)

Financial instruments whose carrying amounts are reasonable approximation of fair value

The carrying amounts of the following financial assets and financial liabilities are reasonable approximations of their fair values due to their short-term nature: cash and bank balances, short-term deposits, amounts owing by/to related parties, immediate holding company, loans, contract assets and liabilities, trade and other debtors and creditors.

The carrying amount of the long-term loan is reasonable approximations of fair value as the loans are floating rate loans that re-price to market interest rate quarterly.

Level 3 fair value measurements

The fair value of the contingent consideration is determined by reference to specific debts provisioning and insurance claims to be settled post-acquisition.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (IN THOUSANDS OF $)

The Group operates principally in Singapore and generates revenue mainly in Singapore dollars. The Group also has investments in subsidiaries, associated and joint venture companies that operate in seven countries. The Group's operations carry certain financial risks, including the effects of changes in foreign exchange rates and interest rates. The Group's risk management approach is to moderate the effects of such volatility on its financial performance. The Group's policy permits 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, and expected future cash flows 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 material loss arising in the event of non-performance by a counterparty is considered to be unlikely.

The Audit Committee provides oversight to the work of the Group Risk Management Committee in respect of financial risks.

(a) Foreign currency risk

The Group has transactional currency exposures arising from operating revenues and expenses that are denominated in a currency other than the respective functional currencies of Group entities, primarily, Singapore dollars ("SGD"), Philippine Pesos ("PHP"), Japanese Yen ("JPY") and United States dollars ("USD"). The foreign currencies in which these transactions are denominated are mainly United States dollars. For the financial year ended 31 March 2022, these accounted for 19% of total revenue (2020/21: 25%) and 8% of total operating expenses (2020/21: 9%). The Group's trade receivable and trade payable balances at the balance sheet date have similar exposures.

The Group and Company also hold cash and cash equivalents in foreign currencies other than the functional currencies of the Group, denominated mainly in USD, for working capital purposes. At the end of the reporting period, such USD balances amounted to approximately $109,166,000 (2021: $107,628,000) and $108,744,000 (2021: $105,663,000) for the Group and the Company respectively.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (IN THOUSANDS OF $) (continued)

(a) Foreign currency risk (continued)

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 Singapore dollars. The Group also uses forward foreign currency contracts to hedge a portion of its future foreign exchange exposure. Such contracts provide for the Group to sell United States dollars at predetermined forward rates, depending on forecast requirements, with settlement dates that range up to one year for the Company and up to 3 years for a joint venture. The Group uses forward contracts purely as a hedging tool. It does not take positions in currencies with a view to make speculative gains from currency movements.

Cash flow hedges

The Company enters into forward currency contracts to hedge against foreign currency risk for a portion of the forecast net cash generation of USD in the next 12 months. The Company also sets aside USD in short-term deposits (non-derivative instrument) to hedge against foreign currency risk on highly probable forecast transactions. These transactions pertain to USD capital injections in an associated company.

The cash flow hedges of the expected inflows and outflows in USD in the next 12 months and the highly probable USD capital injections in an associated company were assessed to be highly effective and at 31 March 2022, a net fair value gain before tax of $1,355,000 (2020/21: $806,000) with a related deferred tax asset $230,000 (2021: deferred tax asset of $137,000), were included in fair value reserve in respect of these contracts.

Foreign currency sensitivity analysis

The foreign currency risk sensitivity analysis is based on the assumption that all cash flow hedges are highly effective; hence there will be no impact on profit before taxation from the cash flow hedges.

The following table details the sensitivity to a 1% weakening or strengthening of SGD exchange rate against the USD with all other variables held constant. The sensitivity analysis includes only the USD currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rate.

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Effect of weakening of SGD against USD				
Profit before taxation R1	**1,130**	1,111	**1,125**	1,089
Equity R2	**(311)**	(350)	**(311)**	(350)
Effect of strengthening of SGD against USD				
Profit before taxation R1	**(1,130)**	(1,111)	**(1,125)**	(1,089)
Equity R2	**311**	350	**311**	350

R1 Sensitivity analysis on significant outstanding USD denominated monetary items.
R2 Sensitivity analysis on outstanding USD hedging contracts.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (IN THOUSANDS OF $) (continued)

(a) Foreign currency risk (continued)

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 12-month period, and forecast timing of capital injections in an associated company. All hedges were effective in 2021/22.

The calculation of foreign currency hedging effectiveness is sensitive to and is derived from forecasted foreign currency receipts and capital investments that have high probability to occur.

(b) Interest rate risk

The Group's exposure to market risk for changes in the interest rates relates primarily to the Group's short-term deposits with the immediate holding company and banks and other interest-bearing financial assets and financial liabilities.

As at 31 March 2022, the Group has short-term deposits and borrowings.

Interest rate sensitivity analysis

At the end of the reporting period, if the floating rates had been 100 basis points (2020/21: 10 basis points) lower/higher with all other variables held constant, the Group's profit before tax would have been approximately $282,000 (2020/21: $28,000) higher/lower, arising mainly as a result of lower/higher interest expense on the floating rate loan.

(c) Credit and counterparty risk

Credit risk

The Group's and Company's maximum exposure to credit risk in the event that counterparties fail to perform their contractual obligations as at 31 March 2022 in relation to each class of recognised financial assets are as follows:

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Trade debtors	**35,351**	34,817	**24,290**	26,222
Contract assets	**124,562**	101,572	**118,770**	93,667
Other debtors	**27,455**	36,489	**25,873**	32,622
Amount due from immediate holding company	**36,465**	68,568	**36,130**	68,395
Amounts owing by related parties	**20,703**	18,936	**26,790**	28,446
Short-term deposits	**584,007**	521,497	**570,081**	508,166
Cash and bank balances	**41,470**	94,467	**13,486**	66,465
	870,013	876,346	**815,420**	823,983

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

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (IN THOUSANDS OF $) (continued)

(c) Credit and counterparty risk (continued)

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors. Concentrations of credit risk with respect to trade debtors are limited to the entities comprising the Group's customer base. The Group carefully assesses the financial strength of its customers and where appropriate, obtains collaterals, including bank guarantees and letters of credit, from customers. In addition, the Group monitors the receivable balances on an ongoing basis, providing for doubtful accounts whenever risks are identified. At 31 March 2022, the only trade debtor exceeding 30% (2021: 43%) of the Group's trade debtors was an amount of approximately $36,465,000 (2021: $68,568,000) due from its immediate holding company, Singapore Airlines Limited.

The COVID-19 pandemic has significantly weakened the financial positions of airline customers. The Group's credit risk assessment is based on circumstances and information available as of the reporting date. The Group has provided for the necessary impairments on the recoverability of receivables and amounts owing by related parties from these airline customers. Such assessment extends to airline customers that are credit-impaired. For non-credit impaired customers, Management applied its best estimate on the expected credit loss allowances.

Expected credit loss assessment for trade receivables, contract assets and amounts owing by related parties

The Group and Company use an allowance matrix by age bracket to measure the ECLs of trade receivables, contract assets and amounts owing by related parties.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the common credit risk characteristics.

The following table provides information about the exposure to credit risk and ECLs for trade receivables, contract assets and amounts owing by related parties as at 31 March 2022 and 31 March 2021:

		The Group 31 March 2022	
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance
Less than 30 days	**0.40%**	**154,575**	**(622)**
30 days to 60 days	**1.49%**	**7,899**	**(118)**
61 days to 90 days	**5.58%**	**2,546**	**(142)**
More than 90 days	**27.31%**	**22,669**	**(6,191)**
		187,689	**(7,073)**

		The Group 31 March 2021	
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance
Less than 30 days	0.40%	124,700	(505)
30 days to 60 days	4.38%	4,179	(183)
61 days to 90 days	3.80%	1,790	(68)
More than 90 days	29.53%	36,060	(10,648)
		166,729	(11,404)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (IN THOUSANDS OF $) (continued)

(c) Credit and counterparty risk (continued)

Expected credit loss assessment for trade receivables, contract assets and amounts owing by related parties (continued)

		The Company 31 March 2022	
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance
Less than 30 days	**0.26%**	**139,672**	**(364)**
30 days to 60 days	**0.24%**	**7,232**	**(17)**
61 days to 90 days	**0.42%**	**3,092**	**(13)**
More than 90 days	**15.40%**	**23,934**	**(3,686)**
		173,930	**(4,080)**

		The Company 31 March 2021	
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance
Less than 30 days	0.02%	109,986	(26)
30 days to 60 days	1.43%	3,014	(43)
61 days to 90 days	1.46%	3,843	(56)
More than 90 days	33.26%	47,376	(15,759)
		164,219	(15,884)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables, contract assets and amounts owing by related parties in accordance with the simplified life-time approach set out in IFRS 9:

	The Group		
Lifetime ECL	**Not credit-impaired Collectively assessed**	**Credit-impaired Individually assessed**	**Total**
Balance at 1 April 2020	1,719	11,065	12,784
Charged during the year	1,466	490	1,956
Disposal of a subsidiary company	(164)	(30)	(194)
Provision utilised during the year	(161)	(2,981)	(3,142)
Balance at 31 March 2021	2,860	8,544	11,404
Charged/(Reversed) during the year	495	(402)	93
Provision utilised during the year	(46)	(4,378)	(4,424)
Balance at 31 March 2022	**3,309**	**3,764**	**7,073**

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (IN THOUSANDS OF $) (continued)

(c) Credit and counterparty risk (continued)

Expected credit loss assessment for trade receivables, contract assets and amounts owing by related parties (continued)

	The Company		
Lifetime ECL	**Not credit-impaired Collectively assessed**	**Credit-impaired Individually assessed**	**Total**
Balance at 1 April 2020	658	7,835	8,493
Charged during the year	1,772	7,519	9,291
Provision utilised during the year	–	(1,900)	(1,900)
Balance at 31 March 2021	2,430	13,454	15,884
Charged/(Reversed) during the year	58	(1,420)	(1,362)
Provision utilised during the year	–	(10,442)	(10,442)
Balance at 31 March 2022	**2,488**	**1,592**	**4,080**

Loss rates are based on actual credit loss experience over the past three years adjusted for current conditions and the Group's view of economic conditions impacted by COVID-19 pandemic over the expected lives of the receivables when these factors have a significant impact to the credit loss. No scalar factor has been applied for the financial year ended 31 March 2022 and 31 March 2021.

Immediate holding company

The Group and Company performed an individual assessment of the expected credit risk on the outstanding receivables and contract assets owing from the immediate holding company. The liquidity of the immediate holding company was evaluated by the Company, considering its financial position and other external credit-default risk factors appraised by credit-rating agencies. Through such assessments, the ECL for immediate holding company has been assessed to be insignificant.

Other financial assets

Other financial assets comprise other debtors, amounts owing by immediate holding company, short-term deposits and cash and bank balances. The Group considers its other financial assets to have low credit risk and the amount of allowance is insignificant.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (IN THOUSANDS OF $) (continued)

(c) Credit and counterparty risk (continued)

Counterparty risk

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 exposure 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 31 March		Percentage of total financial assets 31 March		Outstanding balance 31 March		Percentage of total financial assets 31 March	
	2022	2021	2022	2021	2022	2021	2022	2021
Counterparty profiles								
By industry:								
Airlines	**605,024**	708,482	**81%**	81%	**604,689**	706,018	**86%**	86%
Financial institutions	**56,529**	108,008	**8%**	12%	**15,008**	67,987	**2%**	8%
Others	**389**	23,367	**0%**	3%	**–**	17,356	**–**	2%
	661,942	839,857	**89%**	96%	**619,697**	791,361	**88%**	96%
By region:								
East Asia	**644,543**	775,066	**87%**	89%	**619,697**	752,252	**88%**	91%
Europe	**–**	38,544	**–**	4%	**–**	33,685	**–**	4%
South West Pacific	**–**	873	**–**	0%	**–**	–	**–**	–
Americas	**17,399**	22,595	**2%**	3%	**–**	2,924	**–**	1%
West Asia and Africa	**–**	2,779	**–**	0%	**–**	2,500	**–**	0%
	661,942	839,857	**89%**	96%	**619,697**	791,361	**88%**	96%
By Moody's credit ratings:								
Investment grade (A to Aaa)	**56,410**	108,902	**8%**	13%	**15,008**	67,987	**2%**	8%
Non-rated	**605,532**	730,955	**81%**	83%	**604,689**	723,374	**86%**	88%
	661,942	839,857	**89%**	96%	**619,697**	791,361	**88%**	96%

(d) Liquidity risk

The Group monitors its net operating cash flows and maintains an adequate level of cash and cash equivalents and credit facilities from financial institutions. As at 31 March 2022, the Group had at its disposal, cash and short-term deposits amounting to approximately $625,477,000 (2021: $615,964,000).

In response to possible future liquidity constraints arising from the uncertain recovery trajectory, the Group also maintains available undrawn short-term credit facilities amounting to $23,186,000 (2021: $18,214,000) that are unsecured and can be drawn down to meet short-term financing needs.

During the year, the Group has also established a Euro Medium Term Note Programme under which it may issue notes up to $1.0 billion. As of 31 March 2022, the programme remained unutilised.

The Group's holding of cash and short-term deposits, together with credit facilities and net cash flow from operations, are expected to be sufficient for working capital purposes as well as future capital commitments.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (IN THOUSANDS OF $) (continued)

(d) Liquidity risk (continued)

The maturity profile of the financial liabilities of the Group and the Company is set out below. The amounts disclosed in the table are the contractual undiscounted cash flows, including estimated interest payments.

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
The Group							
2022							
Financial liabilities							
Trade and other creditors*	**123,181**	**–**	**–**	**–**	**–**	**–**	**123,181**
Contract liabilities	**12,703**	**–**	**–**	**–**	**–**	**–**	**12,703**
Amounts owing to related parties	**1,456**	**–**	**–**	**–**	**–**	**–**	**1,456**
Lease liabilities	**30,421**	**7,308**	**4,215**	**3,822**	**3,847**	**29,993**	**79,606**
Bank loans	**2,807**	**–**	**–**	**–**	**–**	**–**	**2,807**
Total undiscounted financial and lease liabilities	**170,568**	**7,308**	**4,215**	**3,822**	**3,847**	**29,993**	**219,753**
2021							
Financial liabilities							
Trade and other creditors*	124,127	–	–	–	–	–	124,127
Contract liabilities	11,305	–	–	–	–	–	11,305
Amounts owing to related parties	2,795	–	–	–	–	–	2,795
Lease liabilities	26,212	22,126	4,399	3,146	3,013	32,154	91,050
Bank loans	7,961	–	–	–	–	–	7,961
Long-term bank loan	140	2,808	–	–	–	–	2,948
Total undiscounted financial and lease liabilities	172,540	24,934	4,399	3,146	3,013	32,154	240,186
The Company							
2022							
Financial liabilities							
Trade and other creditors*	**104,285**	**–**	**–**	**–**	**–**	**–**	**104,285**
Contract liabilities	**12,648**	**–**	**–**	**–**	**–**	**–**	**12,648**
Amounts owing to related parties	**11,670**	**–**	**–**	**–**	**–**	**–**	**11,670**
Lease liabilities	**28,403**	**6,068**	**3,461**	**3,450**	**3,476**	**22,339**	**67,197**
Total undiscounted financial and lease liabilities	**157,006**	**6,068**	**3,461**	**3,450**	**3,476**	**22,339**	**195,800**
2021							
Financial liabilities							
Trade and other creditors*	106,787	–	–	–	–	–	106,787
Contract liabilities	11,089	–	–	–	–	–	11,089
Amounts owing to related parties	12,679	–	–	–	–	–	12,679
Lease liabilities	24,220	20,628	3,114	2,496	2,497	20,891	73,846
Total undiscounted financial and lease liabilities	154,775	20,628	3,114	2,496	2,497	20,891	204,401

* Excluding deferred income

37. SEGMENT INFORMATION (IN THOUSANDS OF $)

For management purposes, the Group is organised into business units based on the nature of the services provided and has the reportable operating segments as follows:

- The airframe and line maintenance segment provides airframe maintenance, line maintenance, and fleet management programme. These services include scheduled routine maintenance and overhaul, specialised and non-routine maintenance, modification and refurbishment programmes. Line maintenance provides aircraft certification and technical ground handling services such as push-back and towing, and the provision of aircraft ground support equipment and rectification work. Fleet management programme encompasses fleet technical management and inventory technical management services, which include the provision of comprehensive engineering and MRO solutions that can be customised to provide maintenance support to airlines.

- The engine and component segment provides component overhaul and engine repair and overhaul services.

Associated and joint venture companies contribute significantly to the performance of the Group. Management has organised the presentation of the segment results and revenue to better reflect the contribution of the associated and joint venture companies towards the Group's performance. The businesses operated by these equity-accounted investees form part of the Group's reportable segments.

All other unallocated items will be disclosed in the consolidated financial statements.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Segment liabilities are not available as the information is not used by Management to make operating decisions.

Transfer prices between operating segments are on agreed terms between the operating segments.

The Group's businesses are organised and managed separately according to the nature of the services provided. The following tables present revenue and profit information regarding operating segments for the financial years ended 31 March 2022 and 31 March 2021 and certain assets information of the operating segments as at those dates.

37. SEGMENT INFORMATION (IN THOUSANDS OF $) (continued)

Operating Segments

	Notes	Airframe and line maintenance	Engine and component	Total segments	Elimination and adjustments	Per consolidated financial statements
2021/22						
SEGMENT REVENUE						
External revenue						
Company and subsidiaries		533,963	32,123	566,086	–	566,086
Associated companies	(a)	71,329	2,159,713	2,231,042	(2,231,042)	–
Joint venture company	(a)	–	2,708,375	2,708,375	(2,708,375)	–
Inter-segment revenue	(b)	–	1,416	1,416	(1,416)	–
		605,292	4,901,627	5,506,919	(4,940,833)	566,086
SEGMENT RESULTS						
Segment results						
Company and subsidiaries		(9,135)	(12,735)	(21,870)	–	(21,870)
Associated companies	(a)	(21,588)	108,455	86,867	(86,867)	–
Joint venture company	(a)	–	52,627	52,627	(52,627)	–
		(30,723)	148,347	117,624	(139,494)	(21,870)
Interest income						1,816
Impairment of non-financial assets						(8,405)
Impairment of an associated company						(2,145)
Surplus on disposal of associated companies						2,618
Share of profits of associated companies, net of tax					49,695	49,695
Share of profits of a joint venture company, net of tax					29,397	29,397
Other unallocated amounts						(1,946)
Profit before taxation	(c)					49,160
Taxation						18,611
Profit for the financial year						67,771
Other segment items						
Depreciation		56,847	2,997	59,844	–	59,844
Amortisation of intangible assets		1,957	1,533	3,490	–	3,490
Segment assets						
Property, plant and equipment		140,383	16,518	156,901	–	156,901
Right-of-use assets		55,360	7,645	63,005	–	63,005
Intangible assets		12,053	20,733	32,786	–	32,786
Investment in associated/joint venture companies		19,439	631,786	651,225	–	651,225
Prepayments and other debtors		–	3,891	3,891	–	3,891
Other unallocated assets	(d)					930,385
Total assets		227,235	680,573	907,808	–	1,838,193

37. SEGMENT INFORMATION (IN THOUSANDS OF $) (continued)

Operating Segments

	Notes	Airframe and line maintenance	Engine and component	Total segments	Elimination and adjustments	Per consolidated financial statements
2020/21						
SEGMENT REVENUE						
External revenue						
Company and subsidiaries		428,258	14,736	442,994	–	442,994
Associated companies	(a)	87,977	2,077,653	2,165,630	(2,165,630)	–
Joint venture company	(a)	–	1,677,854	1,677,854	(1,677,854)	–
Inter-segment revenue	(b)	–	912	912	(912)	–
		516,235	3,771,155	4,287,390	(3,844,396)	442,994
SEGMENT RESULTS						
Segment results						
Company and subsidiaries		(20,778)	(4,185)	(24,963)	–	(24,963)
Associated companies	(a)	(26,804)	131,976	105,172	(105,172)	–
Joint venture company	(a)	–	40,694	40,694	(40,694)	–
		(47,582)	168,485	120,903	(145,866)	(24,963)
Interest income						3,947
Impairment of non-financial assets						(48,297)
Impairment of an associated company						(206)
Surplus on disposal of a subsidiary company						1,973
Share of profits of associated companies, net of tax					25,734	25,734
Share of profits of a joint venture company, net of tax					14,154	14,154
Other unallocated amounts						(7,929)
Loss before taxation	(c)					(35,587)
Taxation						16,033
Loss for the financial year						(19,554)
Other segment items						
Depreciation		66,610	1,149	67,759	–	67,759
Amortisation of intangible assets		1,826	1,617	3,443	–	3,443
Segment assets						
Property, plant and equipment		164,499	5,633	170,132	–	170,132
Right-of-use assets		70,165	1,152	71,317	–	71,317
Intangible assets		9,227	22,453	31,680	–	31,680
Investment in associated/joint venture companies		32,560	569,429	601,989	–	601,989
Prepayments and other debtors		–	8,697	8,697	–	8,697
Other unallocated assets	(d)					925,953
Total assets		276,451	607,364	883,815	–	1,809,768

37. SEGMENT INFORMATION (IN THOUSANDS OF $) (continued)

Operating Segments (continued)

Notes:

(a) Full information of the associated and joint venture companies (total revenue, total profit or loss) are reported in Operating Segments Revenue and Results, but eliminated to reconcile to the Group consolidated results with these equity-accounted investees included under the equity method.

(b) Inter-segment revenues are eliminated on consolidation.

(c) The following items are deducted from segment results to arrive at "profit before taxation" presented in the consolidated income statement:

	31 March 2022	31 March 2021
Finance charges	**(2,633)**	(2,922)
Surplus/(Loss) on disposal of property, plant and equipment and intangible assets	**687**	(5,007)
	(1,946)	(7,929)

(d) The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	31 March 2022	31 March 2021
Current assets	**912,782**	925,953

Geographical segments

Revenue* and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue*		Non-current assets 31 March	
	2021/22	2020/21	2022	2021
East Asia	**449,089**	349,049	**899,433**	851,393
Europe	**56,598**	37,683	**–**	–
South West Pacific	**4,848**	4,468	**–**	–
Americas	**34,957**	24,710	**25,978**	32,422
West Asia and Africa	**20,594**	27,084	**–**	–
Total	**566,086**	442,994	**925,411**	883,815

* Revenue from Company and subsidiary companies.

For the year ended 31 March 2022, revenue of approximately $400,215,000 (2020/21: $301,915,000) and $32,130,000 (2020/21: $30,255,000) were from customers located in Singapore and France respectively. The remaining revenue from customers in other countries were individually insignificant.

As at 31 March 2022, non-current assets of approximately $854,856,000 (2021: $802,970,000) were located in Singapore. The remaining non-current assets located in other countries were individually insignificant.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

37. SEGMENT INFORMATION (IN THOUSANDS OF $) (continued)

Geographical segments (continued)

Non-current assets information presented above consists of property, plant and equipment, right-of-use assets, intangible assets, investments in associated and joint venture companies, prepayments and other debtors and deferred tax assets as presented in the consolidated balance sheet.

Major customers

Revenue from one major customer amounted to approximately $323,185,000 (2020/21: $264,557,000), arising from services provided by airframe and line maintenance segment.

38. CAPITAL MANAGEMENT (IN THOUSANDS OF $)

The primary objective of the management of the Company's capital structure is to maintain an appropriate capital base while retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events including the impact of COVID-19 pandemic on cash flows. Capital comprises share capital and accumulated profits.

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

During the financial year ended 31 March 2022, there was no dividend payment by the Company to shareholders (2020/21: $56,070,000 for final dividend in respect of 2019/20).

No significant changes were made in the objectives, policies or processes relating to the Management of the Company's capital structure. The Company continues to maintain the need to conserve cash to sustain the business through the uncertain recovery path and retain financial flexibility to pursue business opportunities. As such, the Board will not be recommending any dividend for 2021/22.

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

Capital for the Group and Company is tabulated below:

	The Group 31 March		The Company 31 March	
	2022	2021	2022	2021
Total debt:				
Lease liabilities	**66,931**	74,164	**59,975**	66,246
Bank loans	**2,801**	9,915	**–**	–
	69,732	84,079	**59,975**	66,246
Total capital:				
Share capital	**420,044**	420,044	**420,044**	420,044
Reserves	**1,190,742**	1,113,649	**798,732**	784,635
	1,610,786	1,533,693	**1,218,776**	1,204,679
Capital and total debt	**1,680,518**	1,617,772	**1,278,751**	1,270,925

39. RELATED PARTY TRANSACTIONS (IN THOUSANDS OF $)

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, Chief Financial Officer, Executive Vice President and Senior 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 between the Group and related parties took place at terms agreed between the parties during the financial year:

Sale and purchase of goods and services

	The Group	
	2021/22	**2020/21**
Income		
Sales of services and related materials to:		
– the immediate holding company and related corporations	**369,310**	279,587
– associated companies	**17,249**	17,217
– a joint venture company	**2,853**	2,252
Interest income from the immediate holding company	**1,701**	3,693
Equipment fee charged to the immediate holding company	**132**	135
Rental of office space charged to the immediate holding company	**81**	81
Expense		
Management fees charged by the immediate holding company for corporate, general and administrative, technical and insurance services and equipment leases	**10,631**	10,355
Rental of hangars, workshops and office space charged by the immediate holding company	**17,959**	16,738
Purchases of materials from the immediate holding company and fellow subsidiaries	**55,752**	40,006
Purchases of goods from:		
– associated companies	**10,664**	9,183
– a joint venture company	**865**	471
– others	**14,322**	14,310
Services rendered by:		
– the immediate holding company	**449**	52

39. RELATED PARTY TRANSACTIONS (IN THOUSANDS OF $) (continued)

Compensation of key management personnel

Directors' and key executives' remuneration of the Company

	The Company	
	2021/22	**2020/21**
Directors		
Directors' fees	**1,066**	941
Key executives		
Salary, bonuses and other costs	**3,748**	3,916
CPF and other defined contributions	**112**	127
Share-based compensation expense	**2,130**	1,772

The details of RSP, PSP and DSA granted to key executives of the Company are as follows:

(a) RSP Base Awards

Name of participant	Balance as at 1 April 2021 (a)	Base Awards granted during the financial year (b)	Base Awards vested during the financial year (c)	Balance as at 31 March 2022/ cessation of employment = (a)+(b)−(c)	Aggregate Base Awards granted since commencement of RSP to end of financial year under review
Ng Chin Hwee	174,800	142,800	174,800	142,800	317,600
Ivan Neo Seok Kok	64,700	59,300	64,700	59,300	438,319
Wong Yue Jeen	26,400	25,600	26,400	25,600	225,205
Philip Quek Cher Heong	28,200	24,000	28,200	24,000	195,395
Foo Kean Shuh	28,300	28,900	28,300	28,900	114,950
Schmuck Stefan	–	11,000	–	11,000	11,000
Ng Lay Pheng	27,100	27,000	27,100	27,000	88,000
Ng Jan Lin Wilin	26,900	24,900	26,900	24,900	218,490
Chua Hock Hai	7,900	26,100	7,900	26,100	34,000
So Man Fung	29,960	26,200	29,960	26,200	147,893

39. RELATED PARTY TRANSACTIONS (IN THOUSANDS OF $) (continued)

Compensation of key management personnel (continued)

Directors' and key executives' remuneration of the Company (continued)

(b) RSP Final Awards (Pending Release)

Name of participant	Balance as at 1 April 2021 (a)	Final Awards granted during the financial year^ (b)	Final Awards released during the financial year (c)	Balance as at 31 March 2022/ cessation of employment = (a)+(b)–(c)	Aggregate ordinary shares released to participant since commencement of RSP to end of financial year under review
Ng Chin Hwee	–	166,060	55,400	110,660	55,400
Ivan Neo Seok Kok	41,132	61,465	49,432	53,165	303,334
Wong Yue Jeen	16,170	25,080	19,850	21,400	143,329
Philip Quek Cher Heong	17,568	26,790	20,988	23,370	136,350
Foo Kean Shuh	17,560	26,885	21,160	23,285	70,435
Schmuck Stefan	–	–	–	–	–
Ng Lay Pheng	16,394	25,745	19,314	22,825	34,714
Ng Jan Lin Wilin	16,040	25,555	19,820	21,775	149,895
Chua Hock Hai	–	7,505	2,500	5,005	2,500
So Man Fung	20,180	28,462	22,920	25,722	79,227

(c) PSP Base Awards

Name of participant	Balance as at 1 April 2021 (a)	Base Awards granted during the financial year (b)	Base Awards vested during the financial year (c)	Balance as at 31 March 2022/ cessation of employment = (a)+(b)–(c)	Aggregate Base Awards granted since commencement of PSP to end of financial year under review	Aggregate ordinary shares released to participant since commencement of PSP to end of financial year under review
Ng Chin Hwee	218,800	136,000	–	354,800	354,800	–
Ivan Neo Seok Kok	135,000	51,300	33,900	152,400	370,603	123,611
Wong Yue Jeen	55,600	22,300	15,300	62,600	113,338	21,705
Philip Quek Cher Heong	59,400	20,900	14,500	65,800	95,994	11,533
Foo Kean Shuh	59,800	25,100	14,900	70,000	102,619	12,536
Schmuck Stefan	–	9,700	–	9,700	9,700	–
Ng Lay Pheng	44,900	23,500	–	68,400	68,400	–
Ng Jan Lin Wilin	40,700	21,700	–	62,400	62,400	–
Chua Hock Hai	7,100	22,700	–	29,800	29,800	–
So Man Fung	–	22,800	–	22,800	22,800	–

39. RELATED PARTY TRANSACTIONS (IN THOUSANDS OF $) (continued)

Compensation of key management personnel (continued)

Directors' and key executives' remuneration of the Company (continued)

(d) DSA Base Awards

Name of participant	Balance as at 1 April 2021 (a)	Base Awards granted during the financial year (b)	Base Awards vested during the financial year (c)	Balance as at 31 March 2022/ cessation of employment = (a)+(b)–(c)	Aggregate ordinary shares released to participant since commencement of DSA to end of financial year under review
Ng Chin Hwee	–	122,970	–	122,970	–
Ivan Neo Seok Kok	48,338	–	–	48,338	–
Wong Yue Jeen	44,327	23,082	–	67,409	–
Philip Quek Cher Heong	42,395	22,817	–	65,212	–
Foo Kean Shuh	45,217	22,664	–	67,881	–
Schmuck Stefan	–	–	–	–	–
Ng Lay Pheng	39,171	23,214	–	62,385	–
Ng Jan Lin Wilin	24,902	22,543	–	47,445	–
Chua Hock Hai	–	5,697	–	5,697	–
So Man Fung	–	4,960	–	4,960	–

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

ADDITIONAL INFORMATION

Required By The Singapore Exchange Securities Trading Limited

1. INTERESTED PERSON TRANSACTIONS (IN THOUSANDS OF $)

The aggregate value of all interested person transactions ("IPTs") entered into during the financial year 2021/22 are as follows:

		FY2021/22	
Name of interested person	**Nature of relationship**	**Aggregate value of all IPTs (excluding all mandated transactions pursuant to Rule 920 of the SGX Listing Manual and transactions less than $100,000)**	**Aggregate value of all IPTs conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than $100,000)**
Singapore Airlines Group			
Singapore Airlines Limited	Controlling shareholder of SIAEC	–	489,272*
SilkAir (Singapore) Pte Ltd	Wholly-owned subsidiaries of SIAEC's controlling shareholder	–	396
Scoot TigerAir Pte Ltd		–	9,838
Singapore Aviation and General Insurance Company (Pte) Ltd		–	629
Non-listed Associates of Temasek Holdings (Private) Limited ("Temasek")			
AJI International Pte Ltd	Associates of Temasek	–	15,000
SATS Group			
SATS Airport Services Pte Ltd	Associate of Temasek	–	368
Total		**–**	**515,503**

* Includes principal, interest and service fees, in respect of treasury transactions with SIA.

Notes:
1. All the transactions set out in the above are based on records from the Company's Register of Interested Person Transactions for the financial period under review, and include transactions whose durations exceed the financial period under review and/or multiple transactions with the same interested person. The transactions were based on actual or estimated values of the transactions for the entire duration of the relevant transactions in the case of fixed term contracts or annual/periodic values of the transactions in the case of open-ended contracts, taking into account agreed rates.
2. All the above interested person transactions were done on normal commercial terms.

2. MATERIAL CONTRACTS

Except as disclosed above and in the financial statements for the financial year ended 31 March 2022, 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.

QUARTERLY RESULTS OF THE GROUP

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenue						
2021/22	**($ million)**	**125.3**	**138.2**	**140.0**	**162.6**	**566.1**
2020/21	($ million)	118.5	104.5	104.6	115.4	443.0
Expenditure						
2021/22	**($ million)**	**128.2**	**142.0**	**147.8**	**169.9**	**587.9**
2020/21	($ million)	127.2	123.0	103.5	114.3	468.0
Operating (loss)/profit						
2021/22	**($ million)**	**(2.9)**	**(3.8)**	**(7.8)**	**(7.3)**	**(21.8)**
2020/21	($ million)	(8.7)	(18.5)	1.1	1.1	(25.0)
Profit/(Loss) before taxation						
2021/22	**($ million)**	**11.9**	**7.8**	**29.7**	**(0.2)**	**49.2**
2020/21	($ million)	6.3	(44.4)	3.2	(0.7)	(35.6)
Profit/(Loss) attributable to owners of the parent						
2021/22	**($ million)**	**14.5**	**10.5**	**33.2**	**9.4**	**67.6**
2020/21	($ million)	10.7	(29.7)	7.7	0.1	(11.2)
Earnings/(Loss) per share – basic						
2021/22	**(cents)**	**1.30**	**0.94**	**2.96**	**0.84**	**6.02**
2020/21	(cents)	0.96	(2.65)	0.69	–	(1.00)

FIVE-YEAR FINANCIAL SUMMARY OF THE GROUP

	2021/22	2020/21	2019/20	2018/19	2017/18[R1]
Income statement ($ million)					
Revenue	**566.1**	443.0	994.1	1,020.9	1,094.9
Expenditure	**587.9**	468.0	926.4	964.1	1,016.1
Operating (loss)/profit	**(21.8)**	(25.0)	67.7	56.8	78.8
Other non-operating items	**(8.1)**	(50.5)	8.9	8.4	20.9
Share of profits of associated and joint venture companies, net of tax	**79.1**	39.9	127.9	113.9	109.8
Profit/(Loss) before tax	**49.2**	(35.6)	204.5	179.1	209.5
Profit/(Loss) attributable to owners of the parent	**67.6**	(11.2)	193.8	160.9	186.8
Balance sheet ($ million)					
Share capital	**420.0**	420.0	420.0	420.0	420.0
Treasury shares	**(5.8)**	(9.8)	(13.7)	(18.0)	(21.3)
Capital reserve	**1.5**	2.7	2.8	2.9	2.8
Share-based compensation reserve	**5.1**	4.8	5.4	5.6	7.1
Foreign currency translation reserve	**(19.8)**	(23.8)	16.0	(18.2)	(38.9)
Fair value reserve	**0.1**	(2.2)	(8.7)	(0.9)	3.6
Equity transaction reserve	**(2.2)**	(2.2)	(4.5)	(4.5)	(2.4)
General reserve	**1,211.8**	1,144.1	1,211.5	1,141.7	1,112.8
Equity attributable to owners of the parent	**1,610.7**	1,533.6	1,628.8	1,528.6	1,483.7
Non-controlling interests	**10.6**	10.6	32.2	35.4	31.3
Total equity	**1,621.3**	1,544.2	1,661.0	1,564.0	1,515.0
Property, plant and equipment	**156.9**	170.1	231.3	260.8	287.6
Intangibles	**32.8**	31.7	51.9	46.6	67.7
Right-of-use assets	**63.0**	71.3	97.0	–	–
Associated companies	**448.5**	431.8	457.4	404.3	392.5
Joint venture companies	**202.8**	170.2	159.2	154.7	151.9
Deferred tax assets	**17.6**	–	–	–	–
Prepayments	**3.9**	8.7	10.6	13.8	–
Current assets	**912.7**	926.0	998.1	965.0	904.2
Total assets	**1,838.2**	1,809.8	2,005.5	1,845.2	1,803.9
Non-current liabilities	**39.0**	56.5	103.7	35.7	41.5
Current liabilities	**177.9**	209.1	240.8	245.5	247.4
Total liabilities	**216.9**	265.6	344.5	281.2	288.9
Net assets	**1,621.3**	1,544.2	1,661.0	1,564.0	1,515.0
Cash flow statement ($ million)					
Cash flow from operations	**33.9**	178.5	109.2	96.6	73.5
Internally generated cash flow [R2]	**67.4**	210.6	199.5	209.0	182.9
Capital expenditure	**18.4**	15.2	36.8	25.0	31.6

Notes:
R1 The Group adopted IFRS with effect from 1 April 2018. In accordance to the transition requirements, 2017/18 comparatives were restated.
R2 Internally generated cash flow comprises cash generated from operations, dividends from associated and joint venture companies, and proceeds from the disposal of property, plant and equipment. Additonally, wage support grant contributed significantly in 2021/22 and 2020/21.

FIVE-YEAR FINANCIAL SUMMARY OF THE GROUP

	2021/22	2020/21	2019/20	2018/19	2017/18[R1]
Profitability ratios (%)					
Return on equity holders' funds [R3]	4.3	(0.7)	12.3	10.7	12.4
Return on total assets	3.7	(0.6)	9.7	8.7	10.4
Return on turnover	11.9	(2.5)	19.5	15.8	17.1
Productivity and employee data					
Value added ($ million)	397.2	247.5	770.1	722.2	762.1
Value added per employee ($)	72,548	39,583	113,904	108,698	116,395
Revenue per employee ($)	103,376	70,845	147,041	153,657	167,208
Average number of employees	5,476	6,253	6,761	6,644	6,548
Per share data (cents)					
Earnings/(Loss) – basic [R4]	6.02	(1.00)	17.30	14.38	16.70
Earnings/(Loss) – diluted [R5]	6.00	(1.00)	17.26	14.35	16.66
Net asset value [R6]	143.5	136.8	145.2	136.6	132.7
Gross dividends (cents per share)					
Interim dividend	–	–	3.0	3.0	4.0
Final dividend – ordinary	–	–	5.0	8.0	9.0
Total dividends	–	–	8.0	11.0	13.0

Notes:
R3 Return on equity holders' funds is the profit attributable to owners of the parent expressed as a percentage of the average equity attributable to owners of the parent.
R4 Earnings after tax per share (basic) is computed by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue excluding treasury shares.
R5 Earnings after tax per share (diluted) is computed by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue excluding treasury shares, after adjusting for the dilutive effect on the exercise of all outstanding share options, performance shares and restricted share granted to employees. For FY20/21, the potential ordinary shares from the Company's share-based incentive plans were excluded from the diluted weighted average number of ordinary shares calculation as the conversion to ordinary shares would decrease loss per share. As such, the effect was considered anti-dilutive.
R6 Net asset value per share is computed by dividing the equity attributable to owners of the parent by the number of ordinary shares in issue excluding treasury shares at 31 March.

GROUP CORPORATE STRUCTURE

as at 31 March 2022

SIA ENGINEERING COMPANY LIMITED

Airframe and line maintenance		Engine and component	
Subsidiary Companies			
100%	SIA Engineering Japan Corporation	**100%**	Nexgen Network (1) Holding Pte. Ltd.
100%	SIA Engineering (USA), Inc.	**100%**	Nexgen Network (2) Holding Pte. Ltd.
100%	SIAEC Global Private Limited	**60%**	Additive Flight Solutions Pte. Ltd.
100%	Singapore Aero Support Services Pte. Ltd. (previously known as Singapore Jamco Services Pte Ltd)	**51%**	Aerospace Component Engineering Services Pte.Limited
100%	SIA Engineering (Philippines) Corporation		
100%	Heavy Maintenance Singapore Services Pte. Ltd.		
Joint Venture Company			
		50%	Singapore Aero Engine Services Private Limited
Associated Companies			
49%	PT Jas Aero-Engineering Services	**49%**	Eagle Services Asia Private Limited
49%	Southern Airports Aircraft Maintenance Services Company Limited	**49%**	Fuel Accessory Service Technologies Pte Ltd
49%	Boeing Asia Pacific Aviation Services Pte. Ltd.	**49%**	GE Aviation, Overhaul Services – Singapore Pte. Ltd.
40%	Pan Asia Pacific Aviation Services Limited	**49%**	Moog Aircraft Services Asia Pte. Ltd.
		46.4%	Component Aerospace Singapore Pte. Ltd.
		45%	JAMCO Aero Design & Engineering Private Limited
		42.5%	Panasonic Avionics Services Singapore Pte. Ltd.
		40%	Safran Electronics & Defense Services Asia Pte. Ltd.
		40%	Goodrich Aerostructures Service Center – Asia Pte. Ltd.
		40%	Safran Landing Systems Services Singapore Pte. Ltd.
		24.5%	Turbine Coating Services Pte Ltd

SHAREHOLDING STATISTICS

As at 6 June 2022

No. of Issued Shares	:	1,124,116,360
No. of Issued Shares (Excluding Treasury Shares)	:	1,122,511,619
No. / Percentage of Treasury Shares	:	1,604,741 (0.14%)
No. / Percentage of Subsidiary Holdings[1]	:	0 (0.00%)
Class of Shares	:	Ordinary shares
Voting Rights (Excluding Treasury Shares)	:	1 vote per share

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%[2]
1 – 99	41	0.20	1,037	0.00
100 – 1,000	6,302	30.72	5,869,754	0.52
1,001 – 10,000	11,274	54.96	49,696,375	4.43
10,0001 – 1,000,000	2,880	14.04	95,248,215	8.49
1,000,001 AND ABOVE	17	0.08	971,696,238	85.56
Total	20,514	100.00	1,122,511,619	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%[2]
1	Singapore Airlines Limited	870,000,000	77.50
2	Citibank Nominees Singapore Pte Ltd	31,567,785	2.81
3	DBS Nominees Pte Ltd	21,054,723	1.88
4	Raffles Nominees (Pte) Limited	10,091,805	0.90
5	DBSN Services Pte Ltd	8,350,883	0.74
6	HSBC (Singapore) Nominees Pte Ltd	6,901,844	0.61
7	United Overseas Bank Nominees Private Limited	4,377,100	0.39
8	Phillip Securities Pte Ltd	3,654,538	0.33
9	OCBC Nominees Singapore Pte Ltd	3,647,502	0.33
10	UOB Kay Hian Pte Ltd	3,077,200	0.27
11	OCBC Securities Private Ltd	1,680,500	0.15
12	Wong Ket Seong @ Wong Ket Yin	1,500,000	0.13
13	Chong Chew Lim @ Chong Ah Kau	1,313,800	0.12
14	Maybank Securities Pte. Ltd.	1,282,052	0.11
15	Ng Hian Chow	1,098,000	0.10
16	Yim Chee Chong	1,070,000	0.10
17	IFAST Financial Pte Ltd	1,028,506	0.09
18	Heng Siew Eng	998,500	0.09
19	CGS-CIMB Securities (Singapore) Pte Ltd	862,129	0.08
20	Waterworth Pte Ltd	600,000	0.05
	Total	974,156,867	86.78

Note:

[1] "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 1967.

[2] Based on 1,122,511,619 ordinary shares issued as at 6 June 2022 (this is based on 1,124,116,360 shares issued as at 6 June 2022, excluding the 1,604,741 shares held in treasury as at 6 June 2022), rounded down to the nearest 0.01%.

SHAREHOLDING STATISTICS

As at 6 June 2022

SUBSTANTIAL SHAREHOLDERS

	Number of Shares					
Substantial Shareholder	**Direct Interest**	**%[1]**	**Deemed Interest**	**%[1]**	**Total Interest**	**%[1]**
Singapore Airlines Limited	870,000,000	77.50	–	–	870,000,000	77.50
Napier Investments Pte. Ltd.	–	–	870,000,000[2]	77.50	870,000,000	77.50
Tembusu Capital Pte. Ltd.	–	–	870,000,000[3]	77.50	870,000,000	77.50
Temasek Holdings (Private) Limited	–	–	870,000,000[4]	77.50	870,000,000	77.50

Notes:

[1] Based on 1,122,511,619 ordinary shares issued as at 6 June 2022 (this is based on 1,124,116,360 shares issued as at 6 June 2022, excluding the 1,604,741 shares held in treasury as at 6 June 2022), rounded down to the nearest 0.01%.

[2] Napier Investments Pte. Ltd. ("**Napier**") holds a direct interest of 33.22% in Singapore Airlines Limited ("**SIA**"). Accordingly, Napier is deemed to have an interest in 870,000,000 shares held by SIA by virtue of Section 4 of the Securities and Futures Act 2001 ("**SFA**").

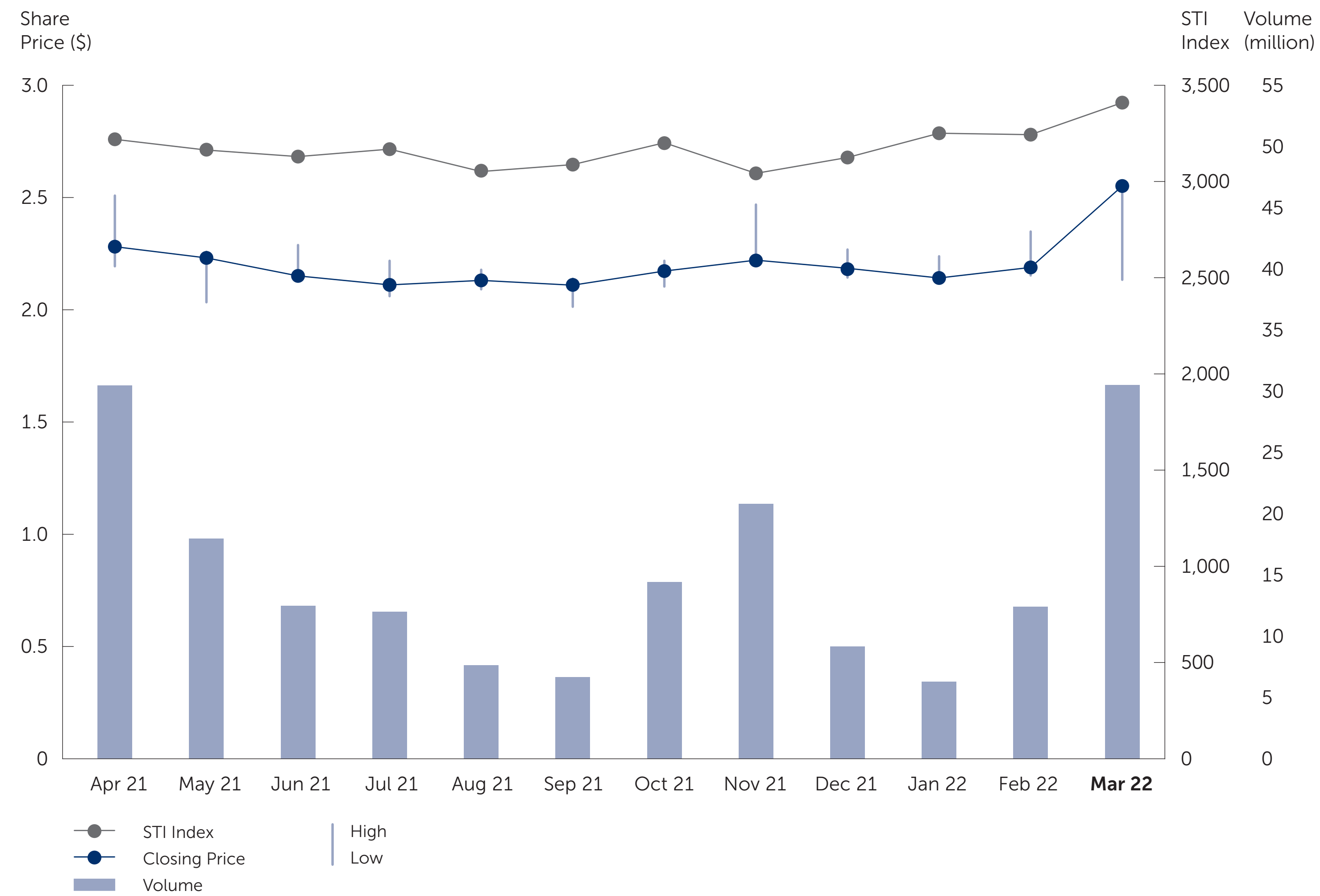
[3] Tembusu Capital Pte. Ltd. ("**Tembusu**") holds 100% of the equity interest in Napier and is therefore deemed to have an interest in the shares that Napier is deemed to have an interest in by virtue of Section 4 of the SFA. Tembusu is a subsidiary of Temasek Holdings (Private) Limited ("**Temasek**").

[4] Temasek has a direct and deemed interest of more than 20% of the equity interest in SIA and is deemed to be interested in 870,000,000 shares held by SIA pursuant to Section 4 of the SFA.

SHAREHOLDING HELD BY THE PUBLIC

Based on the information available to the Company as of 6 June 2022, 22.48% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual issued by the SGX-ST is complied with.

SHARE PRICE AND TURNOVER



	FY2021/22	**FY2020/21**
Share Price (S$)		
Highest closing price	**2.55**	2.26
Lowest closing price	**2.01**	1.58
31 March closing price	**2.55**	2.17
Market Value Ratios*		
Price/Earnings	**42.4**	N/A
Price/Book Value	**1.8**	1.6
Price/Cash Earnings**	**20.2**	22.5

Notes:

* Based on closing price on 31 March and Group numbers.

** Cash earnings is defined as (loss)/profit attributable to owners of the Parent plus depreciation, amortisation and impairment.

SIA ENGINEERING COMPANY LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 198201025C

NOTICE IS HEREBY GIVEN that the 40th Annual General Meeting of SIA Engineering Company Limited (the "**Company**") will be convened and held by way of electronic means on Thursday, 21 July 2022 at 11.00 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 financial year ended 31 March 2022 and the Auditors' Report thereon.

2. To re-elect the following Directors who are retiring by rotation pursuant to Article 90 of the Constitution of the Company and who, being eligible, offer themselves for re-election as Directors pursuant to Article 91 of the Constitution of the Company:

   2.1 Dr Raj Thampuran
   2.2 Mr Chin Yau Seng
   2.3 Mr Goh Choon Phong

   The profiles of Dr Thampuran, Mr Chin and Mr Goh can be found in the Board of Directors and Additional Information on Directors Seeking Re-Election sections of the Annual Report FY2021/22.

3. To re-elect Mr Lim Kong Puay who is retiring pursuant to Article 96 of the Constitution of the Company and who, being eligible, offers himself for re-election as a Director.

   The profile of Mr Lim can be found in the Board of Directors and Additional Information on Directors Seeking Re-Election sections of the Annual Report FY2021/22.

4. To approve Directors' fees of up to $1,500,000 for the financial year ending 31 March 2023 (FY2021/22: up to $1,500,000).

5. To re-appoint KPMG LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

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

   6.1 That pursuant to Section 161 of the Companies Act 1967, authority be and is hereby given to the Directors of the Company 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 10% 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

   (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.

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

(a) grant awards in accordance with the provisions of the SIAEC Performance Share Plan 2014 and/or the SIAEC Restricted Share Plan 2014; and

(b) allot and issue from time to time such number of fully paid ordinary shares as may be required to be issued pursuant to the vesting of awards under the SIAEC Performance Share Plan 2014 and/or the SIAEC 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 SIAEC Performance Share Plan 2014 and the SIAEC 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 SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014 respectively during the period 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 (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**"); 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 SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014 in subsequent years for the duration of the SIAEC Performance Share Plan 2014 and the SIAEC 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.

6.3 That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Chapter 9**"), 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 22 June 2022 (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/she may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the IPT Mandate and/or this Resolution.

6.4 That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "**Companies Act**"), the exercise by the Directors of the Company (the "**Directors**") of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

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

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

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

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

"**Maximum Limit**" means that number of issued Shares representing 2% 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/she 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.

By Order of the Board

LU LING LING

Company Secretary

22 June 2022
Singapore

EXPLANATORY NOTES:

1. In relation to Ordinary Resolution Nos. 2.1, 2.2 and 2.3, Dr Raj Thampuran, Mr Chin Yau Seng and Mr Goh Choon Phong will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Constitution of the Company and will be standing for re-election at the Annual General Meeting. Dr Thampuran will, upon re-election, continue to serve as the Chairman of the Technology Advisory Committee, a member of the Audit Committee and a member of the Board Safety & Risk Committee. Mr Chin will, upon re-election, continue to serve as a member of the Audit Committee and a member of the Board Safety & Risk Committee. Mr Goh will, upon re-election, continue to serve as a member of the Compensation & HR Committee and a member of the Executive Committee. Dr Thampuran is considered an independent Director, and Mr Chin and Mr Goh are considered non-independent Directors.

2. In relation to Ordinary Resolution No. 3, Article 96 of the Constitution of the Company permits the Directors to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election. Mr Lim Kong Puay was appointed on 1 August 2021, and he is therefore seeking re-election at the Annual General Meeting pursuant to Article 96. Mr Lim will, upon re-election, continue to serve as the Chairman of the Board Safety & Risk Committee, a member of the Audit Committee and a member of the Board Sustainability Committee. Mr Lim is considered an independent Director.

3. Ordinary Resolution No. 4, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is, during FY2022/23. The amount of Directors' fees is computed based on the anticipated number of Board meetings for FY2022/23, assuming full attendance by all Directors. The amount also includes an additional 5% to cater for unforeseen circumstances, for example, the appointment of additional Directors, additional unscheduled Board meetings, additional appointments to Board Committees and/or the formation of additional Board Committees. However, in view of the ongoing COVID-19 situation, the Directors have agreed that they will continue to waive 25% of their fees accruing from 1 April 2022. Notwithstanding the reduction, approval is sought for the full amount of Directors' fees of up to $1,500,000 for FY2022/23 (being the same amount approved for FY2021/22), so that the Directors' fees can be restored if the situation improves or business recovers during FY2022/23.

   Directors' fees due to Mr Goh Choon Phong, Mr Chin Yau Seng and Mr Mak Swee Wah, who hold executive positions in Singapore Airlines Limited ("**SIA**"), the holding company of the Company, will be paid to and retained by SIA, and Directors' fees due to Dr Raj Thampuran will be paid to and retained by Surbana Jurong Private Limited. Mr Ng Chin Hwee is the Chief Executive Officer of the Company and does not receive any Directors' fees.

4. Ordinary Resolution No. 6.1, if passed, will empower the Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments up to a number not exceeding 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) with a sub-limit of 10% for issues other than on a *pro rata* basis. The 10% sub-limit for non-*pro rata* issues is lower than the 20% sub-limit allowed under the Listing Manual of the Singapore Exchange Securities Trading Limited. The Directors believe that the lower sub-limit of 10% would sufficiently address the Company's present need to maintain flexibility while taking into account shareholders' concerns against dilution. 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 6 June 2022, the Company had 1,604,741 treasury shares and no subsidiary holdings.

5. Ordinary Resolution No. 6.2, if passed, will empower the Directors to grant awards pursuant to the SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014, and to allot and issue ordinary shares of the Company pursuant to the SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014. The total number of ordinary shares which may be delivered pursuant to awards granted under the SIAEC Performance Share Plan 2014 and the SIAEC 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. 6.2 will provide that the total number of ordinary shares under awards to be granted pursuant to the SIAEC Performance Share Plan 2014 and the SIAEC 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 SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014 in subsequent years, for the duration of the SIAEC Performance Share Plan 2014 and the SIAEC Restricted Share Plan 2014 respectively.

6. Ordinary Resolution No. 6.3, 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 Singapore Exchange Securities Trading Limited) 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 22 June 2022 (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 for more details.

7. Ordinary Resolution No. 6.4, 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 2022, based on certain assumptions, are set out in paragraph 3.7 of the Letter. Please refer to the Letter for more details.

NOTES:

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. 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 https://www.siaec.com.sg/shareholder_meetings.html and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to:

   (a) 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);

   (b) submission of questions to the Chairman of the Meeting in advance of, or "live" at, the Annual General Meeting, and addressing of substantial and relevant questions in advance of, or "live" at, the Annual General Meeting; and

   (c) voting at the Annual General Meeting (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the Annual General Meeting, are set out in the accompanying Company's announcement dated 22 June 2022. This announcement may be accessed at the Company's website at the URL https://www.siaec.com.sg/shareholder_meetings.html and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

3. To keep physical interactions and COVID-19 transmission risk to a minimum, the Company is not providing for physical attendance by members at the Annual General Meeting. A member who wishes to exercise his/her/its voting rights at the Annual General Meeting may:

   (a) (where the member is an individual) vote "live" via electronic means at the Annual General Meeting, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the Annual General Meeting on his/her/its behalf; or

   (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf 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 https://www.siaec.com.sg/shareholder_meetings.html and the SGX website at the URL https://www.sgx.com/securities/company-announcements. A member may also appoint a proxy(ies) via the online process through the pre-registration website at the URL https://conveneagm.sg/siaecagm.

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

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

5. A proxy need not be a member of the Company.

6. The instrument appointing a proxy(ies) 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 submitted:

      (i) via email to the Company's Share Registrar at GPE@mncsingapore.com; or

      (ii) via the online process through the pre-registration website at the URL https://conveneagm.sg/siaecagm,

   in each case, not less than 72 hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument appointing a proxy(ies) by post or via email must first download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and submitting it via email to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website at the URL https://conveneagm.sg/siaecagm.

   Members are strongly encouraged to submit completed instruments appointing a proxy(ies) electronically via email or appoint a proxy(ies) via the online process through the pre-registration website at the URL https://conveneagm.sg/siaecagm.

7. CPF and SRS investors:

   (a) may vote "live" via electronic means at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. at 8 July 2022.

8. The Annual Report FY2021/22 and the Letter to Shareholders dated 22 June 2022 (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 as follows:

   (a) the Annual Report FY2021/22 may be accessed at the URL https://www.siaec.com.sg/annual_report.html by clicking on the hyperlink for "FY2021/22 Annual Report"; and

   (b) the Letter to Shareholders dated 22 June 2022 may be accessed at the URL https://www.siaec.com.sg/shareholder_meetings.html by clicking on the hyperlink for "Letter to Shareholders" under "2022".

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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

ANNOUNCEMENT OF APPOINTMENT

(Appendix 7.4.1, cross-referenced from Rule 210(5)(d) and Rule 704(7) of the SGX Listing Manual)

Name of person	**Mr Chin Yau Seng**	**Mr Goh Choon Phong**	**Mr Lim Kong Puay**	**Dr Raj Thampuran**
Announcement Details	**Announcement of Appointment of Non-Executive / Non-Independent Director**	**Announcement of Appointment of Non-Executive / Non-Independent Director**	**Announcement of Appointment of Non-Executive / Independent Director**	**Announcement of Appointment of Non-Executive / Independent Director**
Date of Appointment	8 October 2018	1 January 2011	1 August 2021	1 September 2016
Age	50	58	65	58
Country of principal residence	Singapore	Singapore	Singapore	Singapore
Date of last re-appointment (if applicable)	19 Jul 2019	17 Jul 2020	N.A.	19 Jul 2019
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board had considered the Nominating Committee's recommendation and assessment on Mr Chin's experience, expertise, competence, commitment and independence (where applicable) as well as taking into consideration the size, composition and diversity of skillsets of the Board, and is satisfied that Mr Chin will continue to contribute to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Mr Goh's experience, expertise, competence, commitment and independence (where applicable) as well as taking into consideration the size, composition and diversity of skillsets of the Board, and is satisfied that Mr Goh will continue to contribute to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Mr Lim's experience, expertise, competence, commitment and independence (where applicable) as well as taking into consideration the size, composition and diversity of skillsets of the Board, and is satisfied that Mr Lim will continue to contribute to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Dr Raj's experience, expertise, competence, commitment and independence (where applicable) as well as taking into consideration the size, composition and diversity of skillsets of the Board, and is satisfied that Dr Raj will continue to contribute to the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent Director Member, Audit Committee Member, Board Safety & Risk Committee	Non-Executive and Non-Independent Director Member, Compensation & HR Committee Member, Executive Committee	Non-Executive and Independent Director Chairman, Board Safety & Risk Committee Member, Audit Committee Member, Board Sustainability Committee	Non-Executive and Independent Director Chairman, Technology Advisory Committee Member, Audit Committee Member, Board Safety & Risk Committee
Professional qualifications	– Master of Science in Operational Research – Bachelor of Science in Economics (Accounting & Finance) The London School of Economics & Political Science	– 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	– Bachelor of Engineering (Mechanical) National University of Singapore	– Bachelor of Mechanical Engineering (Honours), University of London, UK – PhD in Materials Science, National University of Singapore – Postdoctoral Fellowship, Massachusetts Institute of Technology, USA – Advanced Management Programme, INSEAD, France – Fellow, Singapore Academy of Engineers – Fellow, Institution of Engineers, Singapore
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Chin is the Senior Vice President Cargo of Singapore Airlines Limited, which is a substantial shareholder of the Company	Mr Goh is the Chief Executive Officer of Singapore Airlines Limited, which is a substantial shareholder of the Company	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Working experience and occupation(s) during the past 10 years	1. Singapore Airlines Limited, Senior Vice President Cargo, 2018 to present 2. Singapore Airlines Cargo Pte Ltd, President, 2014 to 2018 3. Singapore Airlines Limited, Senior Vice President Sales & Marketing, 2012 to 2014	1. Singapore Airlines Limited, Chief Executive Officer, 2011 to present	1. Chief Executive Officer of Tuas Power Generation Pte Ltd, 2004 to 2018	1. Managing Director (Technology & Research), Surbana Jurong Private Limited, 2020 to present 2. Managing Director, Agency for Science, Technology & Research (A*STAR), 2012 to 2020
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) Or Appendix 7H (Catalist Rule 704(6))	Yes	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil	Nil

Other Principal Commitments* including Directorships#

* "**Principal commitments**" has the same meaning as defined in the Code (Code of Corporate Governance 2018). These include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

\# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9) or Catalist Rule 704 (8).

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

Name of person	Mr Chin Yau Seng	Mr Goh Choon Phong	Mr Lim Kong Puay	Dr Raj Thampuran
Past (for the last five years)	Nil	1. International Air Transport Association, Chairman, Board of Governors	1 Tuas Power Supply Pte Ltd, Director 2. TPGS Green Energy Pte. Ltd., Director 3. TP-STM Water Services Pte. Ltd., Director 4. ARA LOGOS Logistics Trust Management Limited, Director	1. A*ccelerate Technologies Pte Ltd (fka Exploit Technologies Pte Ltd), Chairman 2. D3 Steering Committee, Chairman 3. Agency for Science, Technology & Research (A*STAR), Board Member 4. Defence Science and Technology Agency (DSTA), Board Member 5. Tropical Marine Science Institute, Member of Management Board 6. Committee on Autonomous Road Transport for Singapore, Member 7. National University of Singapore (Faculty of Engineering), Member of Advisory Board 8. Nanyang Technological University (NTU), Advisory Committee for Bioengineering Education, Member 9. National Digital Economy Committee, Member 10. Presidential Science and Technology Awards Committee, Member 11. Finance and Budget Committee (A*STAR), Member 12. Audit Committee (A*STAR and DSTA), Member 13. ASEAN Committee on Science & Technology, Chairman 14. College Advisory Board of the College of Engineering (NTU), Chairman
Present	1. Singapore Airlines Limited, Senior Vice President Cargo 2. Singapore Airlines Cargo Pte Ltd, Director 3. KrisShop Pte Ltd (formerly known as Singapore Airport Duty-Free Emporium (Private) Limited), Director 4. International Air Transport Association (IATA), Member, Cargo Committee	1. Mastercard Incorporated, Director, Member, Nominating and Corporate Governance Committee and Member, Board Risk Committee 2. Singapore Airlines Limited, Director and Chief Executive Officer 3. Budget Aviation Holdings Pte Ltd, Chairman 4. International Air Transport Association, Member, Board of Governors 5. National University of Singapore, Member, Board of Trustees 6. Massachusetts Institute of Technology Presidential CEO Advisory Board, Member 7. Association of Asia Pacific Airlines, Vice Chairman, Executive Committee	1. TP Utilities Pte. Ltd., Director 2. Tuas Power Generation Pte. Ltd., Director 3. TP-STM Water Resources Pte. Ltd., Director 4. Tuas Power Ltd, Director	1. Surbana Jurong Private Limited, Managing Director (Technology and Research) 2. Nanyang Technological University, Adjunct Professor 3. National University of Singapore (Faculty of Engineering), Adjunct Professor 4. The Institution of Engineers – College of Fellows (CoF) Board, Member (CoF) 5. MINDS (RCCS Sub-committee), Member
INFORMATION REQUIRED PURSUANT TO LISTING RULE 704 (7) OR CATALIST RULE 704(6) Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. **If the answer to any question is "yes", full details must be given.**				
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / 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?	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No
(c) Whether there is any unsatisfied judgment against him?	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

	Name of person	Mr Chin Yau Seng	Mr Goh Choon Phong	Mr Lim Kong Puay	Dr Raj Thampuran
(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?	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / 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?	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / 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?	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / 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?	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / 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?	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / 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	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No
	(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	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / 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	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / 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?	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / 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?	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No

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SIA ENGINEERING COMPANY LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 198201025C

PROXY FORM

IMPORTANT:
1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. 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 https://www.siaec.com.sg/shareholder_meetings.html and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to:
   (a) 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);
   (b) submission of questions to the Chairman of the Meeting in advance of, or "live" at, the Annual General Meeting, and addressing of substantial and relevant questions in advance of, or "live" at, the Annual General Meeting; and
   (c) voting at the Annual General Meeting (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the Annual General Meeting,

   are set out in the accompanying Company's announcement dated 22 June 2022. This announcement may be accessed at the Company's website at the URL https://www.siaec.com.sg/shareholder_meetings.html and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. **To keep physical interactions and COVID-19 transmission risk to a minimum, the Company is not providing for physical attendance by members at the Annual General Meeting. A member who wishes to exercise his/her/its voting rights at the Annual General Meeting may:**
   (a) (where the member is an individual) vote "live" via electronic means at the Annual General Meeting, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the Annual General Meeting on his/her/its behalf; or
   (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Annual General Meeting.
4. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies)**.
5. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors:
   (a) may vote "live" via electronic means at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 8 July 2022.
6. By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 22 June 2022.

*I/We ____ (Name)

____ (*NRIC/Passport/Co. Reg. Number)

of ____ (Address)

being *a member/members of SIA Engineering Company Limited (the "Company") hereby appoint:

Name	Address	Email Address^	NRIC/Passport No.	Proportion of Shareholdings (%)
and/or (delete as appropriate)				

^ Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted instrument appointing a proxy(ies)) to pre-register at the pre-registration website at the URL https://conveneagm.sg/siaecagm, in order to access the "live" audio-visual webcast or "live" audio-only steam of the Annual General Meeting proceedings.

or if no proxy is named, the Chairman of the Meeting, as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means on Thursday, 21 July 2022 at 11.00 a.m. (Singapore time) and at any adjournment thereof in the following manner:

No.	Resolution	For	Against	Abstain
	Ordinary Business			
1.	Adoption of the Directors' Statement, Audited Financial Statements and the Auditors' Report			
2.	Re-election of Directors who are retiring by rotation pursuant to Articles 90 and 91 of the Constitution of the Company:			
	2.1 Dr Raj Thampuran			
	2.2 Mr Chin Yau Seng			
	2.3 Mr Goh Choon Phong			
3.	Re-election of Mr Lim Kong Puay who is retiring pursuant to Article 96 of the Constitution of the Company			
4.	Approval of Directors' fees for financial year ending 31 March 2023			
5.	Re-appointment and remuneration of Auditors			
	Special Business			
6.1	Approval of the proposed renewal of the Share Issue Mandate			
6.2	Approval of the proposed renewal of the Share Plan Mandate			
6.3	Approval of the proposed renewal of the Mandate for Interested Person Transactions			
6.4	Approval of the proposed renewal of the Share Buy Back Mandate			

* delete accordingly

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

Dated this ______________ day of ______________ 2022.

Total number of Ordinary Shares held:

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

____
Contact Number/Email Address of Member(s)
(OPTIONAL)

Important: Please read notes on the reverse side

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NOTES:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.
2. **To keep physical interactions and COVID-19 transmission risk to a minimum, the Company is not providing for physical attendance by members at the Annual General Meeting. A member who wishes to exercise his/her/its voting rights at the Annual General Meeting may:**
   (a) (where the member is an individual) vote "live" via electronic means at the Annual General Meeting, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the Annual General Meeting on his/her/its behalf; or
   (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Annual General Meeting.

   This proxy form may be accessed at the Company's website at the URL https://www.siaec.com.sg/shareholder_meetings.html and the SGX website at the URL https://www.sgx.com/securities/company-announcements. A member may also appoint a proxy(ies) via the online process through the pre-registration website at the URL https://conveneagm.sg/siaecagm.
3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy(ies) 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 submitted:
      (i) via email to the Company's Share Registrar at GPE@mncsingapore.com; or
      (ii) via the online process through the pre-registration website at the URL https://conveneagm.sg/siaecagm,

   in each case, not less than 72 hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument appointing a proxy(ies) by post or via email must first download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and submitting it via email to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website at the URL https://conveneagm.sg/siaecagm. Members are strongly encouraged to submit completed instruments appointing a proxy(ies) electronically via email or appoint a proxy(ies) via the online process through the pre-registration website at the URL https://conveneagm.sg/siaecagm.

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Please
Affix
Postage
Stamp

M & C SERVICES PRIVATE LIMITED
Share Registrar for
SIA Engineering Company Limited
112 Robinson Road
#05-01
Singapore 068902

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6. Completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the Annual General Meeting. A member who accesses the "live" audio-visual webcast or "live" audio-only stream of the Annual General Meeting proceedings may revoke the appointment of a proxy(ies) at any time before voting commences and in such an event, the Company reserves the right to terminate the proxy(ies)' access to the "live" audio-visual webcast and "live" audio-only stream of the Annual General Meeting proceedings.
7. The instrument appointing a proxy(ies) must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing, or if submitted electronically via the online process through the pre-registration website at the URL https://conveneagm.sg/siaecagm, be authorised by the appointor via the online process through the website. Where the instrument appointing a proxy(ies) is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its seal or under the hand of an officer or attorney duly authorised, or if submitted electronically via the online process through the pre-registration website at the URL https://conveneagm.sg/siaecagm, be authorised by the appointor via the online process through the website. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE DATA

BOARD OF DIRECTORS

Chairman
Tang Kin Fei

DIRECTORS

Christina Hon Kwee Fong (Christina Ong)
Goh Choon Phong
Ng Chin Hwee
Raj Thampuran
Wee Siew Kim
Mak Swee Wah
Chin Yau Seng
Chua Bin Hwee
Lim Kong Puay (from 1 August 2021)
Manohar Khiatani (until 31 March 2022)
Chew Teck Soon (until 30 April 2022)

Company Secretary
Lu Ling Ling

AUDIT COMMITTEE

Chairman
Chua Bin Hwee (from 1 May 2022)
Chew Teck Soon (until 30 April 2022)

Members
Christina Hon Kwee Fong (Christina Ong)
Raj Thampuran
Chin Yau Seng
Lim Kong Puay (from 1 May 2022)
Manohar Khiatani (until 31 March 2022)

NOMINATING COMMITTEE

Chairman
Christina Hon Kwee Fong (Christina Ong)

Members
Tang Kin Fei (from 1 May 2022)
Mak Swee Wah
Chew Teck Soon (until 30 April 2022)

COMPENSATION & HR COMMITTEE

Chairman
Tang Kin Fei

Members
Goh Choon Phong
Wee Siew Kim

BOARD SAFETY & RISK COMMITTEE

Chairman
Lim Kong Puay (from 1 April 2022)
Manohar Khiatani (until 31 March 2022)

Members
Wee Siew Kim
Raj Thampuran
Mak Swee Wah
Chin Yau Seng

EXECUTIVE COMMITTEE

Chairman
Tang Kin Fei

Members
Goh Choon Phong
Ng Chin Hwee
Chua Bin Hwee (from 1 May 2022)
Chew Teck Soon (until 30 April 2022)

TECHNOLOGY ADVISORY COMMITTEE

Chairman
Raj Thampuran

Members
Alan H. Epstein
Peter Ho
George Wang
Ng Chin Hwee
Shirley Wong (from 11 January 2022)
Mark Schulz (from 11 January 2022)
Quek Tong Boon (until 31 December 2021)
Yeo Kiat Seng (until 31 December 2021)

BOARD SUSTAINABILITY COMMITTEE
(established on 19 April 2022)

Chairman
Christina Hon Kwee Fong (Christina Ong)

Members
Chua Bin Hwee
Lim Kong Puay
Ng Chin Hwee
Foo Kean Shuh

EXECUTIVE MANAGEMENT

Chief Executive Officer
Ng Chin Hwee

Executive Vice President (Operations) and Chief Sustainability Officer
Foo Kean Shuh (from 1 April 2022)

Senior Vice President Partnership Management & Business Development
Wong Yue Jeen

Senior Vice President Line Maintenance
Philip Quek Cher Heong

Senior Vice President Finance/ Chief Financial Officer
Ng Lay Pheng

Chief Commercial Officer
Ng Jan Lin Wilin

Senior Vice President Transformation & Technology
David So Man Fung

Senior Vice President Human Resources
Chua Hock Hai

Senior Vice President Engine Services
Stefan Franz Heinrich Schmuck
(from 1 November 2021)

Senior Vice President Base Maintenance
Jeremy Yew (from 1 April 2022)

REGISTERED OFFICE

31 Airline Road
Singapore 819831
Tel: + 65 6541 5152
Fax: +65 6546 0679
Email: siaec@singaporeair.com.sg

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

Kenny Tan Choon Wah
(appointed 21 July 2017)

SIA ENGINEERING COMPANY

SIA ENGINEERING COMPANY LIMITED

Singapore Company Reg. No.: 198201025C
SGX Trading Code: S59.SI
Registered Office: 31 Airline Road, Singapore 819831
Tel: +65 6541 5152 Fax: +65 6546 0679
Email: siaec@singaporeair.com.sg
www.siaec.com.sg

INVESTOR RELATIONS AND PUBLIC AFFAIRS

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Email: siaec_comms@singaporeair.com.sg