

**SINGAPORE AIRLINES LIMITED**  
(Incorporated in the Republic of Singapore)  
Company Registration No.: 197200078R

**ANNOUNCEMENT**

**ANNUAL GENERAL MEETING TO BE HELD ON 26 JULY 2022  
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS  
FROM SHAREHOLDERS**

**1. INTRODUCTION**

Singapore Airlines Limited (“**SIA**” or the “**Company**”) would like to thank Shareholders for submitting their questions in advance of SIA’s 50<sup>th</sup> Annual General Meeting (“**2022 AGM**”).

The 2022 AGM will be convened and held by electronic means on Tuesday, 26 July 2022 at 10.00 a.m.

**2. RESPONSES TO QUESTIONS**

SIA is pleased to address the questions submitted by Shareholders which are substantial and relevant to the resolutions tabled for approval at the 2022 AGM, and to the business of the Company.

Please refer to the responses as set out in the Appendix hereto.

By Order of the Board

Brenton Wu  
Company Secretary

21 July 2022  
Singapore

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**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS  
FROM SHAREHOLDERS**

**A. Outlook**

**1) Based on the operating statistics for April and May 2022, what is the Company's outlook for the rest of the year?**

- At the airline industry level, IATA recently announced an upgrade to its outlook for the industry's 2022 financial performance as the recovery from Covid-19 gains pace. Industry losses are expected to narrow to US\$9.7 billion (*compared to a US\$11.6 billion loss forecasted in October 2021*). IATA is also hopeful that the industry will return to profitability in 2023.
- Since April 2022, when Singapore fully re-opened its borders to fully vaccinated travellers, the SIA Group has seen a strong recovery in the demand for international travel.
- This is also across all cabin classes, for both leisure and business travel and across every route region except East Asia, where travel restrictions continue to be in place for certain points.
- The Group has ramped up capacity to capture the demand, going up from an average of 47% of pre-pandemic levels in Q4 FY2021/22 to 61% in Q1 FY2022/23. This is projected to go up to around 68% in Q2 FY2022/23, and around 76% by Q3 FY2022/23.
- In June 2022, Singapore Airlines and Scoot carried around 1.94 million passengers with a pandemic-high Group passenger load factor (PLF) of 85.5%. This was on the back of Singapore Airlines posting a monthly PLF of 87.8%, a record for the full-service carrier.
- Passenger carriage in the first quarter of FY2022/23 was 5.1 million passengers, up 158.3% from the last quarter and fourteen times higher than a year ago. Group PLF rose 34.1 percentage points quarter-on-quarter and 64.2 percentage points year-on-year to 79.0%, the highest since the onset of the pandemic.
- Forward sales for the next three months up to October 2022 have remained robust, with demand expected to remain steady into the year-end holiday travel period.
- The Cargo business segment recorded its best year in FY2021/22, buoyed by tight airfreight capacity and strong demand that resulted in elevated yields. Cargo flown revenue reached a record \$4.3 billion in FY2021/22, bolstering the SIA Group's operating performance. The Cargo segment is expected to continue to perform above pre-Covid levels in the near term, due to continued on-going supply chain disruptions and industry capacity constraints. However, some volatility can be expected due to seasonal variations in demand and pandemic control measures in China.

**2) The second wave of Covid has arrived in Singapore and will spread to the region very soon. How will this hinder the recovery for SIA?**

**3) The new Monkeypox was brought into Singapore recently in an SIA plane. How will this affect the next financial year?**

- The recent rise in Covid-19 cases is a reminder that the industry needs to remain vigilant, and that there are many external factors that could have an impact on its recovery and performance.
- We are committed to high standards in health and safety for travel, while remaining true to our brand promise of delivering a seamless world-class travel experience.
- We remain guided by the relevant authorities and medical experts, and we work closely with them to make adjustments, when necessary, in order to ensure the health and safety of our customers and staff across all touchpoints on the ground and in the air.

- As many countries move towards living with the Covid-19 virus and simplify their border protocols, this has facilitated a strong recovery in air travel.
- Some markets, however, continue to maintain more restrictive border measures. We work with the authorities in these markets to offer the best possible options for our customers.
- The Group will also closely monitor demand patterns, remain nimble and proactive in adjusting its capacity and network, adapt to the changing situation and seize opportunities in tandem with the prevailing market conditions and regulations.

## **B. Financials**

### **4) Given the rising cost of goods, high oil price level and the risk of a global recession, what are the plans for the Company to mitigate and manoeuvre around these circumstances?**

- Inflationary pressures including high jet fuel prices, the risk of a global recession, heightened geopolitical risks and supply chain constraints are significant challenges faced by the aviation industry. The SIA Group remains vigilant regarding these risks that may impact the Group's operations and prospects.
- We maintain a long-term view on investing in a modern and fuel-efficient fleet. We remain disciplined on driving cost efficiencies, reinforcing our operational and financial foundations, as well as investing in our products, services, capabilities and people to ensure our competitiveness.
- We remain committed to strengthening the three main pillars of our brand promise – service excellence, product leadership and network connectivity. This builds on our long-standing strengths and will help ensure that we retain our leadership position.
- Under our internal Transformation programme, we are pursuing additional revenue, cost levers and new engines of growth, as well as driving digitalisation.

## **C. Liquidity**

### **5) Are there going to be more bonds or share issuances in the next financial year?**

- Since the onset of the pandemic, the SIA Group has taken decisive actions to manage its liquidity, raising a total of \$22.4 billion of fresh liquidity from various sources. This approach was adopted with the objective of enabling the Group to not only successfully navigate the pandemic, but also emerge stronger.
- We will continue to monitor the markets and weigh all options and opportunities against the Group's prevailing liquidity as well as near-term and long-term funding needs.

## **D. Fuel Hedging**

### **6) How much of the fuel requirement is hedged for the next financial year?**

- We are currently hedged in Brent at about 40% of expected consumption for the period from Q1 FY2022/23 to Q1 FY2023/24, at an average price of US\$60 per barrel.
- In addition, the close-out trades taken in FY2021/22 will contribute gains amounting to US\$208 million for the period between FY2022/23 and FY2024/25.
- Both the outstanding hedges and the gains from close-out of earlier trades will continue to cushion the impact of the high oil prices.
- We will continue to closely monitor market conditions and evaluate our options.

## **E. Resolution**

### **7) Why are you seeking approval for the Renewal of the Share Buy Back mandate?**

- The proposed renewal of the share buyback mandate, if approved, will preserve the Company's flexibility to undertake share purchases or acquisitions, up to the 5% limit of the total issued shares, subject to market conditions, during the period when the mandate is in force.
- As the current share buyback mandate that was approved at the 2021 AGM will expire on the date of the forthcoming 2022 AGM, it is proposed that the mandate be renewed to retain this flexibility.
- The rationale for the proposed Renewal of the Share Buy Back Mandate is set out more fully in the Letter to Shareholders dated 27 June 2022. This rationale is consistent with that of the previous years' Share Buy Back Mandates, which were approved by shareholders.