



**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021**

Table of Contents

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT	2
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	3
CONDENSED CONSOLIDATED FINANCIAL POSITION	4
CONDENSED STATEMENTS OF CHANGES IN EQUITY.....	5
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	8
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	11
OTHER INFORMATION	30

**CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021 (in \$ million)**

		The Group	
	Note	1 st Half FY2021/22	1 st Half FY2020/21
REVENUE	5	2,826.9	1,634.4
EXPENDITURE			
Staff costs		663.7	577.0
Fuel costs		810.2	376.0
Fuel hedging ineffectiveness		(78.8)	563.6
Depreciation		955.7	1,090.9
Amortisation of intangible assets		34.8	31.7
Aircraft maintenance and overhaul costs		211.6	233.0
Commission and incentives		21.2	(20.6)
Landing, parking and overflying charges		192.0	83.2
Handling charges		282.1	174.0
Rentals on leased aircraft		4.1	3.6
Inflight meals		20.6	3.4
Advertising and sales costs		34.6	(5.1)
Company accommodation and utilities		18.6	18.4
Other passenger costs		19.3	15.3
Crew expenses		18.6	4.9
Impairment of amount owing by a joint venture company		-	12.6
Other operating expenses		238.0	335.4
		<u>3,446.3</u>	<u>3,497.3</u>
OPERATING LOSS	6	(619.4)	(1,862.9)
Finance charges		(193.6)	(121.0)
Interest income		19.5	20.2
Impairment of aircraft		-	(1,448.6)
Impairment of goodwill		-	(170.4)
Impairment of base maintenance assets		-	(35.0)
Surplus/(Loss) on disposal of aircraft, spares and spare engines		12.8	(18.0)
Dividends from long-term investments		4.0	1.8
Other non-operating items	7	(63.0)	(78.1)
Share of profits of joint venture companies		5.6	14.6
Share of losses of associated companies		(113.5)	(78.2)
LOSS BEFORE TAXATION		<u>(947.6)</u>	<u>(3,775.6)</u>
TAXATION	8	116.0	297.8
LOSS FOR THE FINANCIAL PERIOD		<u>(831.6)</u>	<u>(3,477.8)</u>
LOSS ATTRIBUTABLE TO:			
OWNERS OF THE COMPANY		(836.8)	(3,467.0)
NON-CONTROLLING INTERESTS		5.2	(10.8)
		<u>(831.6)</u>	<u>(3,477.8)</u>
LOSS PER SHARE (CENTS)		(15.4)	(98.6)
DILUTED LOSS PER SHARE (CENTS)		(15.4)	(98.6)

With the completion of the Mandatory Convertible Bonds (“MCBs”) on 24 June 2021, prior year comparatives for loss per share were restated per IAS 33 through retrospective application of a bonus factor to the average weighted number of shares. The bonus factor is derived from the division of fair value per share immediately before the exercise of rights by the theoretical ex-rights fair value.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021 (in \$ million)**

	The Group	
	1 st Half FY2021/22	1 st Half FY2020/21
LOSS FOR THE FINANCIAL PERIOD	(831.6)	(3,477.8)
OTHER COMPREHENSIVE INCOME:		
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
Currency translation differences	8.8	(31.1)
Net fair value changes on cash flow hedges	676.9	593.4
Share of other comprehensive income of associated and joint venture companies	(0.6)	7.0
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD, NET OF TAX	<u>685.1</u>	<u>569.3</u>
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>(146.5)</u>	<u>(2,908.5)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
OWNERS OF THE COMPANY	(153.6)	(2,892.2)
NON-CONTROLLING INTERESTS	7.1	(16.3)
	<u>(146.5)</u>	<u>(2,908.5)</u>

CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021 (in \$ million)

	Note	The Group		The Company	
		30 September 2021	31 March 2021	30 September 2021	31 March 2021
EQUITY ATTRIBUTABLE TO OWNERS					
OF THE COMPANY					
Share capital	9	7,180.2	7,180.2	7,180.2	7,180.2
Mandatory convertible bonds	10	9,691.2	3,496.1	9,691.2	3,496.1
Treasury shares	11	(106.5)	(133.2)	(106.5)	(133.2)
Other reserves		5,192.0	5,362.8	6,064.3	5,968.8
		21,956.9	15,905.9	22,829.2	16,511.9
NON-CONTROLLING INTERESTS		378.2	372.2	-	-
TOTAL EQUITY		22,335.1	16,278.1	22,829.2	16,511.9
DEFERRED ACCOUNT		34.7	41.0	34.7	41.0
DEFERRED TAXATION		1,005.9	1,032.5	1,027.1	1,018.9
LONG-TERM LEASE LIABILITIES		3,099.2	2,373.6	2,559.8	1,976.1
BORROWINGS	12	10,849.4	10,564.8	10,572.8	10,264.3
OTHER LONG-TERM LIABILITIES		222.9	506.4	214.7	496.3
PROVISIONS		1,046.2	965.1	432.2	387.1
DEFINED BENEFIT PLANS		103.9	106.6	103.9	106.1
		38,697.3	31,868.1	37,774.4	30,801.7
Represented by:-					
PROPERTY, PLANT AND EQUIPMENT	13	23,530.3	23,483.3	19,669.3	19,048.1
RIGHT-OF-USE ASSETS	14	3,204.9	2,395.7	2,624.0	1,983.7
INTANGIBLE ASSETS		305.1	301.1	233.1	229.1
SUBSIDIARY COMPANIES		-	-	5,186.5	5,880.6
ASSOCIATED COMPANIES	15	826.9	833.1	440.9	332.3
JOINT VENTURE COMPANIES		207.6	200.2	32.3	32.3
LONG-TERM INVESTMENTS		42.7	49.9	39.9	46.6
OTHER LONG-TERM ASSETS		845.9	646.0	702.7	495.9
CURRENT ASSETS					
Derivative assets		611.4	156.8	611.4	156.8
Inventories		190.7	194.9	144.9	145.3
Trade debtors		1,189.0	939.5	1,008.1	753.9
Amounts owing by subsidiary companies		-	-	0.8	12.5
Deposits and other debtors		146.4	117.3	109.5	68.5
Prepayments		93.6	80.7	71.8	61.5
Other short-term assets		29.9	29.4	21.3	20.9
Investments		408.2	271.8	353.5	216.5
Cash and bank balances		12,529.6	7,783.0	12,280.2	7,512.1
Assets held for sale	13	204.7	98.6	163.6	25.2
		15,403.5	9,672.0	14,765.1	8,973.2
Less: CURRENT LIABILITIES					
Borrowings	12	594.8	907.1	526.7	842.8
Lease liabilities		525.8	491.4	348.3	315.0
Current tax payable		133.5	95.4	76.9	76.8
Trade and other creditors		2,215.8	2,117.2	1,665.1	1,511.3
Amounts owing to subsidiary companies		-	-	1,240.8	1,530.7
Sales in advance of carriage		648.9	568.1	586.3	504.4
Deferred revenue		962.7	957.8	962.7	957.8
Deferred account		48.5	16.9	48.1	13.8
Derivative liabilities		239.0	130.4	232.8	124.0
Provisions		300.6	428.9	231.7	343.5
		5,669.6	5,713.2	5,919.4	6,220.1
NET CURRENT ASSETS		9,733.9	3,958.8	8,845.7	2,753.1
		38,697.3	31,868.1	37,774.4	30,801.7

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

**CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021 (in \$ million)**

The Group	Attributable to Owners of the Company										
	Share capital	Mandatory convertible bonds	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total	Non-controlling interests	Total equity
Balance at 1 April 2021	7,180.2	3,496.1	(133.2)	(96.8)	(16.9)	20.8	(178.6)	5,634.3	15,905.9	372.2	16,278.1
<u>Comprehensive income</u>											
Currency translation differences	-	-	-	-	6.8	-	-	-	6.8	2.0	8.8
Net fair value changes on cash flow hedges	-	-	-	-	-	-	676.9	-	676.9	-	676.9
Share of other comprehensive income of associated and joint venture companies	-	-	-	-	0.1	-	(0.6)	-	(0.5)	(0.1)	(0.6)
Other comprehensive income for the financial period, net of tax	-	-	-	-	6.9	-	676.3	-	683.2	1.9	685.1
Loss for the financial period	-	-	-	-	-	-	-	(836.8)	(836.8)	5.2	(831.6)
Total comprehensive income for the financial period	-	-	-	-	6.9	-	676.3	(836.8)	(153.6)	7.1	(146.5)
<u>Transactions with owners, recorded directly in equity</u>											
<u>Contributions by and distributions to owners</u>											
Issue of mandatory convertible bonds	-	6,195.1	-	-	-	-	-	-	6,195.1	-	6,195.1
Changes in ownership interest without loss of control	-	-	-	-	-	(1.7)	-	2.1	0.4	0.3	0.7
Share-based compensation expense	-	-	-	-	-	8.7	-	-	8.7	-	8.7
Treasury shares reissued pursuant to equity compensation plans	-	-	26.7	(11.6)	-	(14.7)	-	-	0.4	-	0.4
Dividends	-	-	-	-	-	-	-	-	-	(1.4)	(1.4)
Total transactions with owners	-	6,195.1	26.7	(11.6)	-	(7.7)	-	2.1	6,204.6	(1.1)	6,203.5
Balance at 30 September 2021	7,180.2	9,691.2	(106.5)	(108.4)	(10.0)	13.1	497.7	4,799.6	21,956.9	378.2	22,335.1

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

**CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020 (in \$ million)**

The Group	Attributable to Owners of the Company								Total	Non-controlling interests	Total equity
	Share capital	Mandatory convertible bonds	Treasury shares	Capital reserve	Foreign currency translation reserve	Share-based compensation reserve	Fair value reserve	General reserve			
Balance at 1 April 2020	1,856.1	-	(156.0)	(112.7)	(5.3)	25.7	(2,150.9)	9,857.2	9,314.1	418.6	9,732.7
Comprehensive income											
Currency translation differences	-	-	-	-	(24.3)	-	-	-	(24.3)	(6.8)	(31.1)
Net fair value changes on cash flow hedges	-	-	-	-	-	-	593.6	-	593.6	(0.2)	593.4
Share of other comprehensive income of associated and joint venture companies	-	-	-	-	0.1	-	5.4	-	5.5	1.5	7.0
Other comprehensive income for the financial period, net of tax	-	-	-	-	(24.2)	-	599.0	-	574.8	(5.5)	569.3
Loss for the financial period	-	-	-	-	-	-	-	(3,467.0)	(3,467.0)	(10.8)	(3,477.8)
Total comprehensive income for the financial period	-	-	-	-	(24.2)	-	599.0	(3,467.0)	(2,892.2)	(16.3)	(2,908.5)
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners											
Issue of ordinary shares	5,324.1	-	-	-	-	-	-	-	5,324.1	-	5,324.1
Issue of mandatory convertible bonds	-	3,496.1	-	-	-	-	-	-	3,496.1	-	3,496.1
Changes in ownership interest without loss of control	-	-	-	-	-	(4.0)	-	3.0	(1.0)	0.3	(0.7)
Share-based compensation expense	-	-	-	-	-	6.7	-	-	6.7	0.4	7.1
Share awards lapsed	-	-	-	-	-	(2.3)	-	2.3	-	-	-
Treasury shares reissued pursuant to equity compensation plans	-	-	22.8	(9.0)	-	(13.1)	-	-	0.7	-	0.7
Dividends	-	-	-	-	-	-	-	-	-	(14.3)	(14.3)
Total contributions by and distribution to owners	5,324.1	3,496.1	22.8	(9.0)	-	(12.7)	-	5.3	8,826.6	(13.6)	8,813.0
Changes in ownership interest in subsidiary company											
Acquisition of non-controlling interests without change in control	-	-	-	3.0	-	-	-	-	3.0	4.3	7.3
Total transactions with owners	5,324.1	3,496.1	22.8	(6.0)	-	(12.7)	-	5.3	8,829.6	(9.3)	8,820.3
Balance at 30 September 2020	7,180.2	3,496.1	(133.2)	(118.7)	(29.5)	13.0	(1,551.9)	6,395.5	15,251.5	393.0	15,644.5

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

**CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021 (in \$ million)**

The Company	Share capital	Mandatory convertible bonds	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2021	7,180.2	3,496.1	(133.2)	(871.4)	17.1	(136.6)	6,959.7	16,511.9
Effects of integration of SilkAir (Singapore) Private Limited	-	-	-	1.4	-	-	-	1.4
<u>Comprehensive income</u>								
Net fair value changes on cash flow hedges	-	-	-	-	-	567.9	-	567.9
Other comprehensive income for the financial period, net of tax	-	-	-	-	-	567.9	-	567.9
Loss for the financial period	-	-	-	-	-	-	(455.4)	(455.4)
Total comprehensive income for the financial period	-	-	-	-	-	567.9	(455.4)	112.5
<u>Transactions with owners, recorded directly in equity</u>								
<u>Contributions by and distributions to owners</u>								
Issue of mandatory convertible bonds	-	6,195.1	-	-	-	-	-	6,195.1
Share-based compensation expense	-	-	-	-	7.9	-	-	7.9
Treasury shares reissued pursuant to equity compensation plans	-	-	26.7	(11.6)	(14.7)	-	-	0.4
Total transactions with owners	-	6,195.1	26.7	(11.6)	(6.8)	-	-	6,203.4
Balance at 30 September 2021	7,180.2	9,691.2	(106.5)	(881.6)	10.3	431.3	6,504.3	22,829.2

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

**CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020 (in \$ million)**

The Company	Share capital	Mandatory convertible bonds	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2020	1,856.1	-	(156.0)	(928.8)	22.1	(1,734.3)	9,803.6	8,862.7
<u>Comprehensive income</u>								
Net fair value changes on cash flow hedges	-	-	-	-	-	416.9	-	416.9
Other comprehensive income for the financial period, net of tax	-	-	-	-	-	416.9	-	416.9
Loss for the financial period	-	-	-	-	-	-	(2,445.1)	(2,445.1)
Total comprehensive income for the financial period	-	-	-	-	-	416.9	(2,445.1)	(2,028.2)
<u>Transactions with owners, recorded directly in equity</u>								
<u>Contributions by and distributions to owners</u>								
Issue of ordinary shares	5,324.1	-	-	-	-	-	-	5,324.1
Issue of mandatory convertible bonds	-	3,496.1	-	-	-	-	-	3,496.1
Share-based compensation expense	-	-	-	-	5.2	-	-	5.2
Share awards lapsed	-	-	-	-	(2.3)	-	2.3	-
Treasury shares reissued pursuant to equity compensation plans	-	-	22.8	(9.0)	(13.1)	-	-	0.7
Total transactions with owners	5,324.1	3,496.1	22.8	(9.0)	(10.2)	-	2.3	8,826.1
Balance at 30 September 2020	7,180.2	3,496.1	(133.2)	(937.8)	11.9	(1,317.4)	7,360.8	15,660.6

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021 (in \$ million)**

	The Group	
	1 st Half FY2021/22	1 st Half FY2020/21
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(947.6)	(3,775.6)
Adjustments for:		
Depreciation	955.7	1,090.9
Impairment of aircraft	-	1,448.6
Impairment of goodwill	-	170.4
Impairment of base maintenance assets	-	35.0
Amortisation of intangible assets	34.8	31.7
Impairment of trade debtors	-	14.6
Impairment of amount owing by a joint venture company	-	12.6
Writedown of inventories	7.5	2.9
Income from short-term investments	(0.6)	(0.7)
Provisions	146.2	97.6
Share-based compensation expense	8.7	6.7
Exchange differences	(47.9)	46.2
Net loss/(gain) on financial assets mandatorily measured at fair value through profit or loss ("FVTPL")	1.6	(1.7)
Fuel hedging ineffectiveness	(78.8)	563.6
Foreign currency hedging ineffectiveness	(0.1)	32.3
Finance charges	193.6	121.0
Interest income	(19.5)	(20.2)
(Surplus)/Loss on disposal of aircraft, spares and spare engines	(12.8)	18.0
Dividends from long-term investments	(4.0)	(1.8)
Other non-operating items	63.0	78.1
Share of profits of joint venture companies	(5.6)	(14.6)
Share of losses of associated companies	113.5	78.2
Operating cash flow before working capital changes	407.7	33.8
Decrease in trade and other creditors	(90.3)	(1,804.3)
Increase/(Decrease) in sales in advance of carriage	80.8	(1,249.4)
(Increase)/Decrease in trade debtors	(28.5)	66.2
(Increase)/Decrease in deposits and other debtors	(23.8)	144.1
(Increase)/Decrease in prepayments	(12.9)	16.7
Increase in inventories	(3.3)	(14.9)
Increase in deferred revenue	4.9	123.6
Cash generated from/(used in) operations	334.6	(2,684.2)
Income taxes paid	(7.7)	(2.4)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	326.9	(2,686.6)

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021 (in \$ million)**

	The Group	
	1 st Half	1 st Half
	FY2021/22	FY2020/21
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(1,287.8)	(850.7)
Purchase of intangible assets	(38.9)	(42.1)
Proceeds from disposal of aircraft and other property, plant and equipment	0.2	106.2
Proceeds from disposal of assets held for sale	35.9	-
Proceeds from sale and leaseback transactions	760.8	-
Proceeds from disposal of long-term investments	10.4	18.9
Purchase of short-term investments	(177.4)	(377.1)
Proceeds from disposal of short-term investments	44.3	283.6
Dividends received from associated and joint venture companies	6.8	7.5
Dividends received from investments	4.0	1.8
Interest received from investments and deposits	14.6	16.7
Proceeds from finance leases	4.2	4.7
Investments in associated companies	(108.6)	(114.6)
NET CASH USED IN INVESTING ACTIVITIES	<u>(731.5)</u>	<u>(945.1)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid by subsidiary companies to non-controlling interests	-	(14.3)
Interest paid	(139.3)	(115.2)
Proceeds from issuance of shares and mandatory convertible bonds	6,196.8	8,829.2
Payment of transaction costs related to shares issued and mandatory convertible bonds	(1.7)	(9.0)
Repayment of bonds	(200.0)	(500.0)
Proceeds from borrowings	8.0	4,118.2
Repayment of borrowings	(417.4)	(3,961.8)
Repayment of lease liabilities	(352.0)	(288.6)
Payment of transaction costs related to borrowings	(1.1)	(15.9)
Acquisition of non-controlling interests without a change in control	-	7.3
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>5,093.3</u>	<u>8,049.9</u>
NET CASH INFLOW	4,688.7	4,418.2
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	7,783.0	2,685.3
Effect of exchange rate changes	57.9	(45.0)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>12,529.6</u>	<u>7,058.5</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Fixed deposits	9,987.8	4,882.5
Cash and bank balances	2,541.8	2,176.0
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>12,529.6</u>	<u>7,058.5</u>

Significant non-cash transactions

During the financial period, the Group made pre-delivery payments for certain aircraft amounting to \$551.6 million through financing from a third-party financier.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the Half Year Ended 30 September 2021

1 Corporate Information

Singapore Airlines Limited (“the Company”) is a limited liability company incorporated and domiciled in the Republic of Singapore. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and is a subsidiary company of Temasek Holdings (Private) Limited (“Temasek”), incorporated in the Republic of Singapore.

The condensed interim financial statements (“interim financial statements”) of the Group as at and for the six months ended 30 September 2021 comprise the Company and its subsidiary companies (together referred to as “the Group” and individually as “Group entities”) and the Group’s interest in equity-accounted investees.

The principal activities of the Group consist of passenger and cargo air transportation, engineering services, training of pilots, air charters and tour wholesaling and related activities. The principal activity of the Company consists of passenger and cargo air transportation.

2 Basis of Preparation

These interim financial statements for the six months ended 30 September 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore and IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 March 2021 (“last annual financial statements”). They do not include all of the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The Group has applied the same accounting policies and methods of computation in the preparation of the interim financial statements for the current reporting period as the last audited financial statements except for the adoption of SFRS(I) and International Financial Reporting Standards (“IFRS”) that are mandatory for financial year beginning on or after 1 April 2021. The adoption of these SFRS(I) and IFRS have no significant impact on the financial statements. All references to SFRS(I)s and IFRSs are subsequently referred to as IFRS in the financial statements.

Certain comparative amounts have been re-presented resulting from changes to the reportable segments (refer to note 5 – Segment information).

The Group revised the estimated useful lives and residual values of certain of its aircraft. The effect of the changes is an increase in depreciation expense of approximately \$4.3 million for the six months ended 30 September 2021.

3 Significant Accounting Estimates and Critical Judgements

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Significant Accounting Estimates and Critical Judgements (continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in note 13 – Property, plant and equipment.

4 Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period, although its businesses are, by and large, affected by the Covid-19 pandemic.

5 Segment Information (in \$ million)

Following the integration of SilkAir (Singapore) Private Limited, management has determined that the Group has the following reportable segments:

- (i) The Full Service Carrier ("FSC") segment provides passenger and cargo air transportation under the Singapore Airlines brand with a focus on full-service passenger segment serving short and long haul markets.
- (ii) The Low-Cost Carrier ("LCC") segment provides passenger air transportation under the Scoot brand with a focus on the low-cost passenger segment.
- (iii) Engineering services segment provides airframe maintenance and overhaul services, line maintenance, technical ground handling services and fleet management. It also manufactures aircraft cabin equipment, refurbishes aircraft galleys, provides technical and non-technical handling services and repair and overhaul of hydro-mechanical aircraft equipment.

Other services provided by the Group, such as tour activities and sale of merchandise, have been aggregated under the segment "Others". None of these segments meets any of the quantitative thresholds for determining reportable segments in 1H FY2021/22 or 1H FY2020/21.

Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the interim financial statements.

Transactions carried out between operating segments during the financial period are in the normal course of business.

5 Segment Information (in \$ million) (continued)

Business segments

The Group's business is organised and managed separately according to the nature of the services provided. The following table presents revenue and profit information regarding business segments for the half years ended 30 September 2021 and 2020 and certain assets and liabilities information of the business segments as at those dates.

1 st Half FY2021/22	FSC	LCC	Engineering services	Others	Total of segments	Elimination*	Consolidated
TOTAL REVENUE							
External revenue	2,615.0	89.5	83.3	39.1	2,826.9	-	2,826.9
Inter-segment revenue	11.7	60.4	180.2	28.1	280.4	(280.4)	-
	<u>2,626.7</u>	<u>149.9</u>	<u>263.5</u>	<u>67.2</u>	<u>3,107.3</u>	<u>(280.4)</u>	<u>2,826.9</u>
RESULTS							
Segment result	(386.5)	(217.0)	(6.7)	(5.1)	(615.3)	(4.1)	(619.4)
Finance charges	(179.5)	(38.5)	(1.3)	(0.2)	(219.5)	25.9	(193.6)
Interest income	43.2	0.6	1.0	0.2	45.0	(25.5)	19.5
Surplus on disposal of aircraft, spares and spare engines	12.8	-	-	-	12.8	-	12.8
Dividends from long-term investments	4.0	-	-	-	4.0	-	4.0
Other non-operating items	(70.8)	8.0	(0.2)	-	(63.0)	-	(63.0)
Share of profits of joint venture companies	0.2	-	5.4	-	5.6	-	5.6
Share of (losses)/profits of associated companies	(122.1)	(0.1)	21.5	-	(100.7)	(12.8)	(113.5)
Taxation	97.7	14.6	5.3	(1.6)	116.0	-	116.0
(Loss)/Profit for the financial period	<u>(601.0)</u>	<u>(232.4)</u>	<u>25.0</u>	<u>(6.7)</u>	<u>(815.1)</u>	<u>(16.5)</u>	<u>(831.6)</u>
Attributable to:							
Owners of the Company							(836.8)
Non-controlling interests							5.2
							<u>(831.6)</u>

* *Relates to inter-segment transactions eliminated on consolidation.*

5 Segment Information (in \$ million) (continued)

Business segments (continued)

1 st Half FY2020/21 (RESTATED)	FSC	LCC	Engineering services	Others	Total of segments	Elimination*	Consolidated
TOTAL REVENUE							
External revenue	1,495.6	27.2	73.6	38.0	1,634.4	-	1,634.4
Inter-segment revenue	10.7	32.9	149.4	34.6	227.6	(227.6)	-
	1,506.3	60.1	223.0	72.6	1,862.0	(227.6)	1,634.4
RESULTS							
Segment result	(1,424.7)	(413.7)	(24.6)	(0.9)	(1,863.9)	1.0	(1,862.9)
Finance charges	(109.6)	(37.3)	(1.5)	(0.2)	(148.6)	27.6	(121.0)
Interest income	43.2	1.0	2.7	0.5	47.4	(27.2)	20.2
Loss on disposal of aircraft, spares and spare engines	(17.9)	(0.1)	-	-	(18.0)	-	(18.0)
Dividends from long-term investments	1.8	-	-	-	1.8	-	1.8
Impairment of aircraft	(1,428.9)	(19.7)	-	-	(1,448.6)	-	(1,448.6)
Impairment of goodwill	-	(170.4)	-	-	(170.4)	-	(170.4)
Impairment of base maintenance assets	-	-	(35.0)	-	(35.0)	-	(35.0)
Other non-operating items	(30.5)	(39.5)	(8.1)	-	(78.1)	-	(78.1)
Share of (losses)/profits of joint venture companies	(0.3)	-	14.9	-	14.6	-	14.6
Share of (losses)/profits of associated companies	(91.6)	(0.1)	13.5	-	(78.2)	-	(78.2)
Taxation	287.2	0.3	10.9	(0.6)	297.8	-	297.8
Loss for the financial period	(2,771.3)	(679.5)	(27.2)	(1.2)	(3,479.2)	1.4	(3,477.8)
Attributable to:							
Owners of the Company							(3,467.0)
Non-controlling interests							(10.8)
							(3,477.8)

* Relates to inter-segment transactions eliminated on consolidation.

5 Segment Information (in \$ million) (continued)

Business segments (continued)

OTHER INFORMATION

	FSC	LCC	Engineering services	Others	Total of segments	Elimination*	Consolidated
AS AT 30 SEPTEMBER 2021							
Segment assets	38,087.9	4,693.9	1,214.2	281.3	44,277.3	(987.6)	43,289.7
Investments in associated and joint venture companies	405.9	-	628.6	-	1,034.5	-	1,034.5
Long-term investments	39.9	-	-	2.8	42.7	-	42.7
Total assets	38,533.7	4,693.9	1,842.8	284.1	45,354.5	(987.6)	44,366.9
Segment liabilities	4,408.2	604.5	176.0	94.6	5,283.3	(1,133.7)	4,149.6
Lease liabilities	2,908.1	654.6	78.7	9.4	3,650.8	(25.8)	3,625.0
Long-term liabilities	214.7	8.2	-	-	222.9	-	222.9
Provisions	677.4	666.9	2.5	-	1,346.8	-	1,346.8
Defined benefit plans	103.9	-	-	-	103.9	-	103.9
Borrowings	11,099.5	321.8	6.8	16.1	11,444.2	-	11,444.2
Tax liabilities	1,138.3	(3.7)	0.5	4.3	1,139.4	-	1,139.4
Total liabilities	20,550.1	2,252.3	264.5	124.4	23,191.3	(1,159.5)	22,031.8

* Relates to inter-segment transactions eliminated on consolidation.

5 Segment Information (in \$ million) (continued)

Business segments (continued)

OTHER INFORMATION

	FSC	LCC	Engineering services	Others	Total of segments	Elimination*	Consolidated
AS AT 31 MARCH 2021 (RESTATED)							
Segment assets	31,428.0	4,520.8	1,207.8	289.4	37,446.0	(947.9)	36,498.1
Investments in associated and joint venture companies	431.3	-	602.0	-	1,033.3	-	1,033.3
Long-term investments	47.2	-	-	2.7	49.9	-	49.9
Total assets	31,906.5	4,520.8	1,809.8	292.1	38,529.2	(947.9)	37,581.3
Segment liabilities	3,996.5	736.6	169.3	93.2	4,995.6	(1,164.2)	3,831.4
Lease liabilities	2,346.8	466.6	74.2	11.4	2,899.0	(34.0)	2,865.0
Long-term liabilities	496.3	10.1	-	-	506.4	-	506.4
Provisions	802.3	590.3	1.4	-	1,394.0	-	1,394.0
Defined benefit plans	106.6	-	-	-	106.6	-	106.6
Borrowings	11,107.1	345.6	9.9	9.3	11,471.9	-	11,471.9
Tax liabilities	1,120.7	(7.5)	10.8	3.9	1,127.9	-	1,127.9
Total liabilities	19,976.3	2,141.7	265.6	117.8	22,501.4	(1,198.2)	21,303.2

* Relates to inter-segment transactions eliminated on consolidation.

5 Segment Information (in \$ million) (continued)

Geographical segments

The following table presents revenue information on airline operations by geographical areas for the half years ended 30 September 2021 and 2020.

	By area of original sale	
	1 st Half FY2021/22	1 st Half FY2020/21
East Asia	1,690.3	927.7
Europe	412.4	230.8
South West Pacific	244.6	120.0
Americas	134.6	50.9
West Asia and Africa	145.8	72.4
Systemwide	2,627.7	1,401.8
Non-scheduled services and incidental revenue	148.9	164.6
	<u>2,776.6</u>	<u>1,566.4</u>

No single customer contributed to more than 10% of the Group's revenue during the half years ended 30 September 2021 and 2020.

6 Operating Loss (in \$ million)

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

	The Group	
	1 st Half FY2021/22	1 st Half FY2020/21
Interest income from short-term investments	(0.5)	(0.6)
Dividend income from short-term investments	(0.1)	(0.1)
Income from operating lease of aircraft	-	(19.2)
Surplus on disposal of short-term investments	(0.8)	(1.4)
Bad debts written off	-	3.8
Impairment of trade debtors	-	14.6
Writedown of inventories	7.5	2.9
Exchange (gain)/loss, net	(28.9)	14.8
Currency hedging gain	(0.3)	(0.6)
Foreign currency hedging ineffectiveness	(0.1)	32.3
Fuel hedging (gain)/loss recognised in "Fuel costs"	(51.8)	157.6
Net loss/(gain) on financial assets mandatorily measured at FVTPL	<u>1.6</u>	<u>(1.7)</u>

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

	The Group	
	1 st Half FY2021/22	1 st Half FY2020/21
Headcount rationalisation costs	0.8	(41.7)
Refleeting and restructuring costs	(0.7)	(13.8)
Loss on sale and leaseback transactions	(3.9)	-
Loss on disposal of other property, plant and equipment	(0.5)	(5.2)
Net gain on financial assets mandatorily measured at FVTPL	-	2.1
Provision for expected credit losses on investments and loans and guarantee to a joint venture company	(7.5)	(1.8)
Impairment of investment in an associated company	-	(0.2)
Impairment of investment in a joint venture company	-	(0.1)
Liquidation costs relating to a joint venture company	-	(17.4)
Impairment of long term investments	(5.3)	-
Impairment of assets held for sale	(15.0)	-
Provision for onerous contract	(38.9)	-
Surplus on disposal of intangible assets	8.0	-
	<u>(63.0)</u>	<u>(78.1)</u>

8 Taxation (in \$ million)

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Major components of income tax expense

The major components of income tax expense for the half years ended 30 September 2021 and 2020 are:

	The Group	
	1 st Half FY2021/22	1 st Half FY2020/21
<u>Current taxation</u>		
Provision for the period	45.9	2.7
Over provision in respect of prior years	-	(0.2)
	<u>45.9</u>	<u>2.5</u>
<u>Deferred taxation</u>		
Movement in temporary differences	(161.8)	(300.8)
(Over)/Under provision in respect of prior years	(0.1)	0.5
	<u>(161.9)</u>	<u>(300.3)</u>

The Group has tax losses and deductible temporary differences (for which no deferred tax asset has been recognised) of approximately \$792.4 million (31 March 2021: \$563.3 million) that are available for offset against future taxable profits of the companies. This is due to the uncertainty of the recoverability of the deferred tax asset.

9 **Share Capital (in \$ million)**

	The Group and the Company			
	Number of shares		Amount	
	2021	2020	2021	2020
Issued and fully paid share capital				
Ordinary shares				
Balance at 1 April	2,977,543,504	1,199,851,018	7,180.2	1,856.1
Shares issued pursuant to rights issue	-	1,777,692,486	-	5,324.1
Balance at 30 September	2,977,543,504	2,977,543,504	7,180.2	7,180.2
Special share				
Balance at 1 April and 30 September	1	1	#	#

The value is \$0.50

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

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

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

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

There are no subsidiary holdings of the Company as at 30 September 2021.

Share-based Incentive Plans

The Singapore Airlines Limited Restricted Share Plan ("RSP 2014") and Performance Share Plan ("PSP 2014") are share-based incentive plans, which were approved by the shareholders of the Company on 30 July 2014.

The RSP 2014 awards fully paid ordinary shares of the Company, conditional on position and individual performance targets set at the start of the performance period based on Group and Company objectives.

In respect of FY2021/22 Strategic Share Award ("SSA") under RSP 2014, the award made in July 2021 to Senior Management (Senior Vice Presidents and above) was based on Board Compensation and Industrial Relations Committee ("BCIRC") assessment of SIA Management's Covid-19 response and recovery for FY2020/21.

The FY2021/22 RSP award was made in July 2021 on a contingent performance basis to Senior Management and other key executives (Vice Presidents and Divisional Vice Presidents).

9 **Share Capital (in \$ million) (continued)**

Share-based Incentive Plans (continued)

The PSP 2014 awards fully paid ordinary shares of the Company, conditional on performance targets set at the start of a three-year overlapping performance period based on stretched long-term corporate objectives. The FY2021/22 PSP award was made in July 2021 on a contingent performance basis to Senior Management.

The key terms and conditions of the share-based incentive plans are set out in the latest SIA annual report covering FY2020/21.

Movement of share awards during the financial period

Date of grant	Number of Share Awards					Balance at 30 September 2021
	Balance at 1 April 2021	Granted	Adjustment	Cancelled	Vested	
<u>RSP 2014</u>						
19.07.2018	342,348	-	-	-	(342,348)	-
19.07.2019	398,966	-	-	-	(217,430)	181,536
16.07.2020	1,661,658	-	(165,388) #	(15,685)	(580,616)	899,969
15.07.2021	-	1,658,723	-	(9,999)	-	1,648,724
	<u>2,402,972</u>	<u>1,658,723</u>	<u>(165,388)</u>	<u>(25,684)</u>	<u>(1,140,394)</u>	<u>2,730,229</u>
<u>PSP 2014</u>						
19.07.2018	405,920	-	(210,700) #	-	(195,220)	-
19.07.2019	608,880	-	-	-	-	608,880
16.07.2020	605,600	-	-	-	-	605,600
15.07.2021	-	717,293	-	-	-	717,293
	<u>1,620,400</u>	<u>717,293</u>	<u>(210,700)</u>	<u>-</u>	<u>(195,220)</u>	<u>1,931,773</u>
<u>Deferred Share Award</u>						
11.09.2018	169,022	-	6,000 *	-	(175,022)	-
	<u>169,022</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>(175,022)</u>	<u>-</u>
<u>Transformation Share Award</u>						
19.07.2018	141,857	-	106,420 ^	-	(248,277)	-
19.07.2019	27,000	-	-	-	(13,500)	13,500
	<u>168,857</u>	<u>-</u>	<u>106,420</u>	<u>-</u>	<u>(261,777)</u>	<u>13,500</u>
<u>SSA</u>						
16.07.2020	478,000	-	-	-	(239,000)	239,000
05.02.2021	39,300	-	-	-	(19,650)	19,650
15.07.2021	-	820,300	-	-	(410,150)	410,150
	<u>517,300</u>	<u>820,300</u>	<u>-</u>	<u>-</u>	<u>(668,800)</u>	<u>668,800</u>

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

* Adjustment at the end of vesting period for Accumulated Dividend Yield.

^ Adjustment at the end of vesting period for 20% equity kicker.

10 Mandatory Convertible Bonds (in \$ million)

	The Group and the Company
Balance at 1 April 2021	3,496.1
Issued during the financial period	6,196.8
Transaction costs	(1.7)
Balance at 30 September 2021	<u>9,691.2</u>

During the financial period, the Company issued \$6,196.8 million of MCBs ("Rights 2021 MCBs").

The Rights 2021 MCBs were issued in the denomination of \$1.00 for each MCB, on the basis of 209 MCBs for every 100 existing ordinary shares held by shareholders on 28 May 2021. They will mandatorily convert into ordinary shares of the Company on 8 June 2030. The MCBs shall be convertible on the conversion date only. At the end of the 10-year tenure of the MCBs, 2,173,960,638 ordinary shares will be issued upon mandatory conversion of the Rights 2021 MCBs, subject to any prior redemption of the MCBs. The MCBs may be redeemable at the option of the Company in whole or in part on every six-month anniversary of the issue date at fixed amounts.

The total number of ordinary shares to be issued on 8 June 2030, the end of the 10-year tenure of the MCBs is 3,478,587,238.

11 Treasury Shares (in \$ million)

	The Group and the Company	
	Number of shares	Amount
Balance at 1 April 2021	12,570,529	(133.2)
Treasury shares transferred on vesting of share-based incentive plans	(2,441,413)	25.9
Treasury shares transferred on payment of Directors' remuneration	(80,300)	0.8
Balance at 30 September 2021	<u>10,048,816</u>	<u>(106.5)</u>

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

During the financial period, the Company did not purchase any treasury shares (FY2020/21: nil).

As at 30 September 2021, the number of ordinary shares in issue was 2,977,543,504 of which 10,048,816 were held by the Company as treasury shares (31 March 2021: 2,977,543,504 ordinary shares of which 12,570,529 were held as treasury shares).

12 Borrowings (in \$ million)

	The Group	
	30 September 2021	31 March 2021
Amount repayable in one year or less, or on demand		
<u>Secured</u>		
Loans	574.7	540.8
<u>Unsecured</u>		
Notes payable	-	200.0
Loans	20.1	166.3
	20.1	366.3
	594.8	907.1
Amount repayable after one year		
<u>Secured</u>		
Loans	5,217.0	4,948.6
<u>Unsecured</u>		
Notes payable	4,854.2	4,845.7
Loans	2.9	2.8
Convertible bonds	775.3	767.7
	5,632.4	5,616.2
	10,849.4	10,564.8
Total Borrowings	11,444.2	11,471.9

Details of any collateral

The secured bank loans are secured via mortgage of certain aircraft.

Lease Liabilities

Excluded from the borrowings above are lease liabilities of \$3,625.0 million (31 March 2021: \$2,865.0 million) which are secured over the right-of-use assets.

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

The Group

	Aircraft	Aircraft spares and spare engines	Advance and progress payments	Others	Total
Cost					
At 1 April 2021	23,156.7	894.0	6,455.7	1,903.4	32,409.8
Additions	35.7	5.7	1,727.5	7.5	1,776.4
Transfers	364.5	(7.9)	(345.7)	(10.9)	-
Transfer to assets held for sale	(365.3)	(52.5)	-	-	(417.8)
Disposals	(1,067.8)	(6.4)	-	(5.7)	(1,079.9)
Exchange differences	20.2	0.1	-	1.0	21.3
At 30 September 2021	22,144.0	833.0	7,837.5	1,895.3	32,709.8
Accumulated depreciation and impairment losses					
At 1 April 2021	6,475.5	541.2	388.2	1,521.6	8,926.5
Depreciation	662.9	17.5	-	42.9	723.3
Transfer to assets held for sale	(231.6)	(46.7)	-	-	(278.3)
Disposals	(181.9)	(5.4)	-	(5.3)	(192.6)
Exchange differences	-	0.1	-	0.5	0.6
At 30 September 2021	6,724.9	506.7	388.2	1,559.7	9,179.5
Net book value					
At 1 April 2021	16,681.2	352.8	6,067.5	381.8	23,483.3
At 30 September 2021	15,419.1	326.3	7,449.3	335.6	23,530.3

Impairment of aircraft

No impairment of aircraft was recorded during the financial period.

During the previous financial period, the Group recorded an impairment loss of \$1,333.1 million on 26 surplus older generation aircraft that have been removed from the operating fleet. Included as part of the amount is the impairment of carrying amounts of owned and leased aircraft, spare engines, spares and inventories, write-off of advanced progress payments for engine overhauls, and additional de-lease costs and other related costs which arose from the impairment review exercise.

Subsequent to the liquidation of NokScoot, the Group also recorded an impairment charge of \$115.5 million which arose from the Company's impairment of seven Boeing 777-200 aircraft that were leased to NokScoot. The aircraft impairment charge was taken to write off the aircraft book values to their estimated scrap values, as they are deemed surplus to the Group's operational requirements when they returned to the Company's fleet after lease termination.

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

Impairment test

In light of the Covid-19 pandemic and its detrimental effect on the travel industry caused by global travel restrictions and border controls, the Group's significant reduction in its capacity has led to a deterioration to its profits and cash flows. Management has determined that this event is an indicator that the Property, Plant and Equipment and Intangible Assets may be impaired. Management's impairment test included the following CGUs:

FSC CGU

The recoverable amount of the FSC CGU has been determined based on value-in-use calculations using cash flow projections from financial forecasts approved by Management covering a five-year period (31 March 2021: five-year period). The financial forecasts which were approved include Management's planned recovery from Covid-19 related global travel restrictions and border controls. The post-tax discount rate applied to cash flow projections is 7.0% (31 March 2021: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period (31 March 2021: five-year period) is 4.0% (31 March 2021: 4.0%).

LCC CGU

The recoverable amount of the CGU has been determined based on value-in-use calculations using cash flow projections from financial forecasts approved by Management covering a five-year period (31 March 2021: five-year period). The financial forecasts which were approved include Management's planned recovery from Covid-19 related global travel restrictions and border controls. The post-tax discount rate applied to cash flow projections is 7.0% (31 March 2021: 7.0%) and the forecast long-term growth rate used to extrapolate the cash flow projections beyond the five-year period (31 March 2021: five-year period) is 5.0% (31 March 2021: 5.1%).

Sensitivity Analysis

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

Yield – The forecast yield is set with regards to the CGUs' historical performance, operation plans and expected economic and market conditions. The forecast yield does not exceed historical yield achieved.

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

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

Assets held for sale

During the current financial period, certain aircraft and spare engines were classified as held for sale as the Group had decided to sell the aircraft following the review of the fleet plan. In the prior year, certain aircraft spares were classified as held for sale as the Group had decided to sell these aircraft spares following the cessation of certain inventory management contracts. The sale of the aircraft and spares is expected to be completed within one year.

	The Group
At 1 April 2021	98.6
Reclassification from property, plant and equipment	139.5
Impairment losses	(15.0)
Disposals	(22.3)
Exchange differences	3.9
At 30 September 2021	<u>204.7</u>

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

The Group

	Aircraft	Aircraft spare engines	Others	Total
At 1 April 2021	1,985.1	274.1	136.5	2,395.7
Additions	1,011.2	-	24.1	1,035.3
Reassessment and modifications	(0.6)	-	6.9	6.3
Depreciation	(191.6)	(14.2)	(26.6)	(232.4)
At 30 September 2021	2,804.1	259.9	140.9	3,204.9

During the financial period, the Group has completed sale-and-leaseback transactions for three 787-10 and one A350-900 aircraft. Upon completion, the Company recorded \$745.0 million as lease liabilities and a loss on sale-and-leaseback of \$3.9 million.

The Group has commenced lease agreements for four A321neo aircraft. Upon commencement, the Group recorded \$231.2 million as lease liabilities.

15 Associated companies

During the financial period, the Company injected \$108.6 million in TATA SIA Airlines Limited ("TATA-SIA"). There was no change in the Group's 49% equity stake in TATA-SIA after the capital injection.

16 Significant commitment and contingent liabilities

There have been no significant changes to the Group's and Company's contingent liabilities and commitments from the last annual financial statements.

17 Financial Instruments (in \$ million)

Classification and fair values of financial instruments

Financial assets are measured on an ongoing basis at amortised cost, fair value through other comprehensive income ("FVOCI") or FVTPL. Financial liabilities are measured on an ongoing basis at either amortised cost or FVTPL. The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as per the following tables.

Financial assets and financial liabilities that are classified as measured at amortised cost with carrying amounts being a reasonable approximation of their fair values are not presented in these tables. These financial assets include trade debtors, deposits and other debtors, amounts owing by subsidiary companies and cash and bank balances. These financial liabilities include trade and other creditors, amounts owing to subsidiary companies and loans.

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

Classification and fair values of financial instruments (continued)

The Group

	Carrying amount			Fair value			
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
30 September 2021							
<u>Financial assets</u>							
Long-term investments							
Quoted							
Non-equity investments	0.4	-	-	0.4	0.5	-	-
Unquoted							
Equity investments	-	41.0	1.3	42.3	-	-	42.3
Other long-term receivables	225.1	-	-	225.1	-	-	222.3
Derivative assets*	-	1,223.3	-	1,223.3	-	1,223.3	-
Investments							
Quoted							
Equity investments	-	2.4	-	2.4	2.4	-	-
Non-equity investments*	-	52.3	-	52.3	52.3	-	-
Non-equity investments	353.5	-	-	353.5	353.5	-	-
	<u>579.0</u>	<u>1,319.0</u>	<u>1.3</u>	<u>1,899.3</u>	<u>408.7</u>	<u>1,223.3</u>	<u>264.6</u>
<u>Financial liabilities</u>							
Derivative liabilities*	-	460.1	-	460.1	-	460.1	-
Notes payable	4,854.2	-	-	4,854.2	5,011.1	-	-
Convertible bonds	775.3	-	-	775.3	952.4	-	-
	<u>5,629.5</u>	<u>460.1</u>	<u>-</u>	<u>6,089.6</u>	<u>5,963.5</u>	<u>460.1</u>	<u>-</u>

* Mandatorily measured at FVTPL

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

Classification and fair values of financial instruments (continued)

The Group

	Carrying amount				Fair value		
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3
31 March 2021							
<u>Financial assets</u>							
Long-term investments							
Quoted							
Non-equity investments	2.5	-	-	2.5	2.6	-	-
Unquoted							
Equity investments	-	41.0	6.4	47.4	-	-	47.4
Other long-term receivables	462.7	-	-	462.7	-	-	460.0
Derivative assets*	-	331.4	-	331.4	-	331.4	-
Investments							
Quoted							
Equity investments	-	3.7	-	3.7	3.7	-	-
Non-equity investments*	-	51.6	-	51.6	51.6	-	-
Non-equity investments	216.5	-	-	216.5	216.6	-	-
	<u>681.7</u>	<u>427.7</u>	<u>6.4</u>	<u>1,115.8</u>	<u>274.5</u>	<u>331.4</u>	<u>507.4</u>
<u>Financial liabilities</u>							
Derivative liabilities*	-	415.2	-	415.2	-	415.2	-
Notes payable	5,045.7	-	-	5,045.7	5,165.1	-	-
Convertible bonds	767.7	-	-	767.7	1,028.2	-	-
	<u>5,813.4</u>	<u>415.2</u>	<u>-</u>	<u>6,228.6</u>	<u>6,193.3</u>	<u>415.2</u>	<u>-</u>

* Mandatorily measured at FVTPL

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

Classification and fair values of financial instruments (continued)

Financial instruments carried at fair value

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 – Unobservable inputs for the asset or liability

There has been no transfer between Level 1 and Level 2 during the financial year.

Determination of fair value

The fair values of the financial instruments are determined as follows:

- Jet fuel swap contracts – mark-to-market valuations, adjusted for bilateral counterparty credit risks.
- InterContinental Exchange (“ICE”) Brent swap and Brent-MOPS crack swap contracts – by reference to available market information and the marked-to-market values of these swap contracts, adjusted for bilateral counterparty credit risks. As the Group hedges with ICE Brent and Brent-MOPS crack contracts, the ICE Brent futures contract price and its differential relative to MOPS price are used as the mark-to-market prices.
- Forward currency contracts – by reference to current forward prices for contracts with similar maturity profiles, adjusted for bilateral counterparty credit risks.
- Interest rate swap contracts – by discounting the future cash flows of swap contracts at market interest rate, adjusted for bilateral counterparty credit risks.
- Cross currency swap contracts – by reference to market prices for existing cash flow profiles pre-agreed with counterparties at trade inception, adjusted for bilateral counterparty credit risks.
- Quoted investments – by reference to stock exchange quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no active market, fair value is determined using valuation techniques that are commonly used by market participants.
- Other long-term receivables – by discounting expected future cash flows at market incremental lending rate for similar types of lending at the end of the reporting period.
- Notes payable – by reference to stock exchange quoted market bid prices at the close of business at the end of the reporting period.
- Convertible bonds – by reference to stock exchange quoted market bid prices at the close of business at the end of the reporting period.

18 Related Party Transactions

The balances due from related parties arose from the usual trade transactions.

Key Management Personnel Remuneration of the Group

The remuneration system applied to the Key Management Personnel (the Chief Executive Officer ("CEO") and Executive Vice Presidents ("EVPs")) is set out in the latest SIA annual report covering FY2020/21.

- Company-Wide Restoration of Monthly Variable Component ("MVC")

Base Salary cuts of 30% for CEO and 25% for EVPs were implemented from 1 April 2020, and subsequently adjusted to 35% for CEO and 30% for EVPs from 1 August 2020. As of 1 August 2021, there was a company-wide restoration of 10% of Base Salary in respect of the MVC for all employees including Key Management Personnel. The remaining pay cuts of the Key Management Personnel are currently to be maintained.

- Value Creation Recovery Plan ("VCRP")

VCRP is an interim incentive plan for FY2021/22 to FY2022/23 at the discretion of the SIA Board to motivate the Senior Management (which includes the Key Management Personnel) to restore the Company to profitability.

OTHER INFORMATION FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

1 Audit

The financial statements have not been audited nor reviewed by our auditors.

2 Auditors' report

Not applicable.

3 Review of performance of the Group

GROUP FINANCIAL PERFORMANCE

First Half FY2021/22 – Profit and Loss

International air travel continued to recover during the first half of FY2021/22, on the back of rising global Covid-19 vaccination rates and as travel corridors – including Singapore's Vaccinated Travel Lane (VTL) arrangement – came into effect. The Singapore Airlines (SIA) Group's passenger traffic (measured in revenue passenger-kilometres) grew five-fold year-on-year, with passenger capacity (available seat-kilometres) also growing five-fold year-on-year to reach 32% of pre-Covid-19 levels as of September 2021.

Group revenue rose \$1,193 million (+73.0%) year-on-year to \$2,827 million, attributable to improvements in both the passenger and cargo segments. Passenger flown revenue grew by \$598 million (+385.8%) on the back of the recovery in traffic, partly offset by weaker yields. Cargo flown revenue reached a record high of \$1,875 million (+\$635 million or +51.2%) with the progressive resumption of passenger flights contributing to the increase in cargo capacity (+49.5%) and loads carried (+61.6%). The strong cargo performance reflects the capacity crunch in both air freight and ocean freight, and ongoing supply chain disruptions driving air freight demand.

Group expenditure fell \$51 million (-1.5%) to \$3,446 million. This was mainly due to the absence of the fuel hedging ineffectiveness that was recorded last year, and the swing from fair value loss to gain on fuel derivatives arising from the rise in fuel prices during the first half of the year. This was mostly offset by net fuel costs which rose \$434 million (+115.4%) to \$810 million, mainly due to higher fuel prices and an increase in volume uplifted to support the expansion in passenger operations. Non-fuel expenditure also rose by \$157 million (+6.1%) to \$2,715 million, as higher costs were incurred from increased flying activities.

As a result, the SIA Group recorded an operating loss of \$619 million for the first half, an improvement of \$1,244 million (+66.8%) from the \$1,863 million operating loss in the previous year. For the half year ended 30 September 2021, the Group reported a net loss of \$837 million, an improvement of \$2,630 million (+75.9%) from the prior year. This was mainly due to better operating performance, and the absence of \$1,630 million in non-cash items recorded last year largely from the impairment of aircraft assessed to be surplus to requirements.

The operating cash deficit¹ for the first half narrowed to \$106 million (or an average of \$18 million per month) from \$1,726 million last year, on the back of better operating performance.

¹ Includes net cash provided by operating activities and repayment of lease liabilities, and excludes proceeds from forward sales.

3 Review of performance of the Group (continued)

GROUP FINANCIAL PERFORMANCE (CONTINUED)

Second Quarter FY2021/22 – Profit and Loss

The SIA Group financial performance for the second quarter FY2021/22 is summarised as follows:

Group Financial Results	2 nd Quarter FY2021/22 (\$ million)	1 st Quarter FY2021/22 (\$ million)	Better/ (Worse) (\$ million)	Better/ (Worse) (%)
Total Revenue	1,532	1,295	237	18.3
Total Expenditure	1,877	1,569	(308)	(19.6)
Net Fuel Cost	450	360	(90)	(25.0)
<i>Fuel Cost (before hedging)</i>	<i>489</i>	<i>373</i>	<i>(116)</i>	<i>(31.1)</i>
<i>Fuel Hedging (Gain)/Loss</i>	<i>(39)</i>	<i>(13)</i>	<i>26</i>	<i>n.m.</i>
Fair Value (Gain)/Loss on Fuel Derivatives	(7)	(72)	(65)	(90.3)
Non-fuel Expenditure	1,434	1,281	(153)	(11.9)
Operating Loss	(345)	(274)	(71)	(25.9)
Net Loss	(428)	(409)	(19)	(4.6)

Group revenue rose \$237 million (+18.3%) quarter-on-quarter to \$1,532 million. Passenger flown revenue increased by \$118 million (+37.2%) as passenger traffic grew 43.4% quarter-on-quarter, outpacing the 21.5% expansion in capacity. As a result, passenger load factor (PLF) improved 2.6 percentage points compared to the previous quarter to 17.4%. The launch of Singapore's first quarantine-free VTL arrangements with Brunei and Germany on 8 September 2021 resulted in an uptick in demand, especially to Germany. Cargo flown revenue increased by \$122 million (+13.9%), as yields remained elevated (+5.2%) and loads carried improved (+8.5%) as supply chain disruptions intensified, exacerbating the industry's capacity crunch.

Group expenditure grew \$308 million (+19.6%) as the expansion in passenger operations led to higher net fuel costs of \$450 million, up \$90 million (+25.0%) against the previous quarter, driven by higher fuel volume uplifted (+\$67 million), higher fuel prices (+\$41 million), strengthening of USD against SGD (+\$8 million), partially offset by higher hedging gains (-\$26 million). There was also a lower fair value gain on fuel derivatives of \$65 million quarter-on-quarter. Non-fuel expenditure increased \$153 million (+11.9%), in line with the expanded operations.

Consequently, the Group recorded an operating loss of \$345 million, higher by \$71 million (+25.9%) as compared to the previous quarter. Net loss for the second quarter of FY2021-22 came in at \$428 million, a slight increase of \$19 million (+4.6%) quarter-on-quarter.

3 Review of performance of the Group (continued)

BALANCE SHEET REVIEW **(September 2021 vs March 2021)**

Equity attributable to owners of the company increased by \$6,051 million (+38.0%) to \$21,957 million as at 30 September 2021 largely due to the following:

- issuance of \$6,197 million of MCBs;
- fair value reserve gains (+\$676 million) which arose mainly from fuel hedges with the rise in average forward fuel prices; partially offset by
- net loss of \$837 million incurred for the financial period.

Total Group assets increased by \$6,786 million (+18.1%) to \$44,367 million. The increase was mainly attributable to an increase in cash and bank balances (+\$4,747 million), derivative assets (+\$892 million) and right-of-use assets (+\$809 million). The increase in cash and bank balances arose primarily due to net proceeds from issuance of MCBs (+\$6,195 million) and proceeds from sale-and-leaseback agreements (+\$761 million), as well as cash generated from operations (+\$327 million). This is offset by capital expenditure (-\$1,288 million), repayment of borrowings (-\$409 million), lease payments (-\$352 million) and repayment of medium-term notes (-\$200 million).

Total Group liabilities increased by \$729 million (+3.4%) to \$22,032 million, primarily arising from the increase in lease liabilities (+\$760 million), sales in advance of carriage (+\$81 million), partially offset by decrease in provisions (-\$47 million).

Net Asset Value

	The Group		The Company	
	30 September 2021	31 March 2021	30 September 2021	31 March 2021
Net asset value per ordinary share (\$)	7.40	5.36	7.69	5.57

4 Whether a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

5 A commentary at the date of announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

OUTLOOK

Singapore's quarantine-free VTL arrangements support the safe and gradual recovery of Changi Airport as a major air hub. Air travel demand is expected to grow as vaccination rates rise, especially in countries within the Asia Pacific region, and as government regulations ease further across key markets.

Since the start of the pandemic, the Group has proactively taken steps to review all aspects of our operations to ensure that we are able to quickly ramp up as air travel recovers. As a result, the Group was the first to announce and open sales for VTL flights, capturing early pent-up travel demand.

Beyond Singapore, key Asia-Pacific markets continue to gradually open up. Australia removed restrictions on outbound travel for its residents on 1 November, and will reopen its borders to all vaccinated Singaporeans from 21 November. With Singapore's earlier inclusion of Australia in its VTL arrangements, this establishes two-way quarantine-free travel between Singapore and the Australian states of New South Wales and Victoria. Within South East Asia, Singapore has announced a bilateral VTL agreement with Malaysia, and adjusted the risk classification for some countries, including Indonesia, Vietnam and Thailand. This gives Singapore scope to start opening up its borders with countries in the region.

The Group remains ready to capitalise on revenue and growth opportunities as they arise, and will adjust its capacity accordingly, while ensuring operational resilience and cost discipline.

The traditional year-end cargo peak period is expected to see strong demand, supported in part by retail inventory restocking before the peak shopping season. This comes amid an ongoing industry capacity crunch for both air freight and ocean freight. Purchasing Managers' Indices are still in expansionary territory for key export economies, boding well for air cargo demand. Nonetheless, some economies are now facing production constraints as a result of pandemic controls, supply chain disruptions, and energy shortages. The SIA Group will continue to maximise freighter utilisation to meet demand. Expansion of bellyhold capacity will continue with the resumption of passenger flights, and the continued deployment of passenger aircraft for cargo-only flights as required.

Fuel prices have been trending higher on the back of a resurgence in demand, and volatility is expected to persist in the near term, amid a global energy crunch.

The SIA Group remains steadfast in its commitment to emerge stronger from the pandemic, as it forges ahead in the second year of its three-year Transformation journey. We have pressed on with initiatives to drive digital leadership and deliver world-class product and services, while prioritising a seamless customer journey with robust health and safety standards.

6 Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

No.

Name of Dividend	Interim
Dividend Type	Nil
Dividend Amount per Share	Nil
Tax Rate	Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

Name of Dividend	Interim
Dividend Type	Nil
Dividend Amount per Share	Nil
Tax Rate	Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

7 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No interim dividend has been declared due to the Group's needs to conserve cash to meet near-term cash needs of the business in view of the significant impact from the Covid-19 pandemic.

8 Interested Person Transactions

The aggregate values of all Interested Person Transactions (“IPTs”) entered into during the first half of the Financial Year 2021/22 are as follows:

Name of Interested Person	Nature of Relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		(S\$)	(S\$)
CapitaLand Limited Group - ASB Sydney Goulburn Trust - The Work Project (Commercial) Pte Ltd	#	- -	288,453 109,245
Certis CISCO Group - Certis CISCO Aviation Security Pte. Ltd. - Sydney Night Patrol & Inquiry Co Pty Ltd	#	- -	532,815 235,824
Gategroup Holding AG Group - Gate Gourmet Amsterdam B.V. - Gate Gourmet Denmark APS - Gate Gourmet Services Pty Ltd - Gate Gourmet Switzerland GmbH - Gategroup Trading Hong Kong Ltd - Compagnie d'Exploitation des Services Auxiliaires Aériens - SPIRIANT Asia Pacific Limited	#	- - - - - - -	348,838 497,054 1,253,814 1,011,570 175,425 895,432 233,785
KrisShop Pte Ltd	#	-	18,302,825
SATS Ltd Group - Air India SATS Airport Services Private Limited - Asia Airfreight Terminal Co Ltd - MacroAsia Catering Services Inc. - Mumbai Cargo Service Centre Airport Private Limited - PT Jas Aero-Engineering Services - PT Jasa Angkasa Semesta Tbk - SATS Aero Laundry Pte. Ltd. - SATS HK Limited - SATS Ltd - SATS Security Services Private Limited - Taj Madras Flight Kitchen Private Limited - Taj SATS Air Catering Limited - TFK Corporation	#	- - - - - - - - - - - - -	8,298,570 683,605 248,441 828,481 461,499 1,423,663 1,057,690 526,910 145,777,333 9,448,880 153,976 2,736,904 123,821
SembCorp Industries Ltd Group - Sembcorp Solar Singapore Pte Ltd	#	-	190,889
Singapore Telecommunications Limited Group - Optus Networks Pty Limited - Singapore Telecommunications Limited	#	- -	130,501 1,025,894
StarHub Ltd Group - Ensign InfoSecurity (Singapore) Pte. Ltd.	#	-	238,824
Temasek Holdings (Private) Limited and Associates - SMM Pte Ltd - UST Global (Singapore) Pte. Limited	#	- -	2,863,483 264,197
Total Interested Person Transactions		-	200,368,641

An associate of the Company's controlling shareholder

9 Confirmation that the Issuer has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

By Order of the Board

Brenton Wu
Company Secretary
11 November 2021

Singapore Company Registration No.: 197200078R

CONFIRMATION BY THE BOARD

We, Peter Seah Lim Huat and Goh Choon Phong, being two directors of Singapore Airlines Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the half year ended 30 September 2021 financial results to be false or misleading in any material respect.

On behalf of the Board,



PETER SEAH LIM HUAT
Chairman



GOH CHOON PHONG
Chief Executive Officer

11 November 2021