SIA ENGINEERING COMPANY

GEARING UP FOR GROWTH

ANNUAL REPORT 2022/23

CORPORATE PROFILE

Listed on the mainboard of the Singapore Exchange in 2000, SIA Engineering Company (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 29 national airworthiness authorities worldwide.

MISSION STATEMENT

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

FY2022/23 AT A GLANCE

SIAEC Signed a $120.8 Million Services Agreement with Scoot

SIAEC Signed a $1.14 Billion Services Agreement with Singapore Airlines

SIAEC and Institutes of Higher Learning Collaborate to Develop Next Generation of Skilled Professionals

SIAEC Secured a Component Support Agreement for MYAirline's Fleet of A320 Aircraft

SIAEC Extended its Maintenance Agreement with Hawaiian Airlines

SIAEC Completed the Acquisition of 75% of the Share Capital of SR Technics Malaysia

SIAEC and Honeywell Signed an Agreement for 737 and 787 Air Data Inertial Reference Unit Repair Capability

SIAEC Signed an MOU for Hangar Facilities in Subang, Malaysia

SIAEC Won Aviation Week Network's 2022 Asia MRO of the Year – Airframe Award

SIAEC Won Airline Economics Magazine's 2022 Asia-Pacific MRO of the Year Award

REVENUE
$796.0 MILLION

NET PROFIT
$66.4 MILLION

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CHAIRMAN’S STATEMENT

Dear Shareholders,

The past few years have been turbulent for the MRO industry. The absence of flights, owing to border closures, led to a plunge in MRO activity that impacted many aerospace companies. With many countries having pivoted to an endemic COVID-19 new norm in 2022, FY2022/23 saw a strong recovery in air travel which had, in turn, benefitted the MRO industry and the SIAEC Group.

Airlines progressively reinstated passenger flights over the course of the year amid strong pent-up travel demand and the full reopening of borders. In Singapore, flight activities recovered to 79% of pre-COVID-19 levels by March 2023. That resulted in a strong uptick in MRO activity. Thanks to Transformation-led productivity and capacity enhancements across our operations, the SIAEC Group was able to scale up and capitalise on this demand recovery and reap better cost efficiency.

The number of flights handled by our Line Maintenance unit in Singapore more than doubled to 105,139 in FY2022/23, compared to 47,885 in FY2021/22. Maintenance checks at our Singapore and Clark bases also registered double-digit percentage increases, compared to the previous year. The successful adoption of Lean practices at our Base Maintenance unit yielded additional capacity, enabling the unit to take advantage of the increase in demand with new customer contracts secured during the year.

Similarly, Component Services and fleet management work volume increased as flight activities continued to ramp up. In addition, our Engine Services business saw a progressive increase in engine inductions since completion of the first CFM LEAP-1A quick-turn delivery in the early part of the financial year, followed by the LEAP-1B delivery. Our portfolio of joint venture (JV) and associated companies also rebounded in line with the industry recovery.

Riding this strong wave of recovery in MRO activity, our revenue rose 40.6% to $796.0 million in FY2022/23, compared to $566.1 million a year ago. The Group recorded a net profit of $66.4 million despite the reduction in government wage support. Excluding the impact of the prior year’s one-time tax write-back and the lower wage support, our net profit improved by $102.6 million year-on-year.

In light of the recovery, the Board is pleased to recommend a final ordinary dividend of 5.5 cents per share for FY2022/23, the first since the onset of the pandemic. The final dividend reflects the Board’s confidence that the worst is behind us. Payment of the final dividend on 11 August 2023, which amounts to approximately $61.7 million, is subject to shareholders’ approval at the Annual General Meeting on 20 July 2023.

TANG KIN FEI
Chairman

CAPTURING GROWTH BEYOND RECOVERY

While a rising tide lifts all boats, we recognised early on that merely banking on the broad industry recovery is not enough. The improving demand for MRO services could be derailed by an interplay of macro factors, namely, geopolitical tensions, a looming economic slowdown in many major economies, supply chain disruptions, and persistent high inflation. Moreover, the pace of recovery beyond 80% of pre-pandemic levels is expected to be slower, as airlines face constraints in returning fully to pre-pandemic flight levels.

To ensure that SIAEC emerges stronger and gears up for growth beyond recovery, we have built on our multi-faceted strategy to invest in new capabilities and reshape our business to drive long-term sustainable growth. To this end, we expanded our capabilities and services for new generation aircraft through investments in our own shops and acquisitions, broadened the scope and capabilities of our JV companies through new acquisitions and partnerships, and extended our geographical presence to capture new markets and customers. This strategy, including the setting up of our Engine Services Division and Component Services Division, positions SIAEC to expand into new business segments and seize opportunities from the recovery of the MRO industry.

This is supported by our new centralised Sales and Commercial unit and the establishment of regional sales offices to enhance customer intimacy and drive the growth of third-party business. Revenue is expected to grow alongside the expansion of our customer base.

As part of the regular review of our JV portfolio to focus on building next-generation aircraft capabilities, we exited JVs that no longer align with our strategy and established new

ones for growth. During the year, we ceased operations at our 49%-owned JV, Boeing Asia Pacific Aviation Services by mutual agreement of the shareholders due to the changing business environment.

We plan to expand our regional base maintenance footprint beyond Singapore and Philippines and had signed a non-binding Memorandum of Understanding in April 2022 for the potential lease of hangars in Subang, Malaysia. These two hangars will boost SIAEC’s regional network offering of the current six hangars in Singapore and three hangars in Clark, Philippines, and enable us to cater to the varying needs of our customers. We had also announced our plans to acquire a stake in POS Aviation Engineering Services, which has line maintenance operations at 10 stations in Malaysia. When those transactions are completed, the growth in Malaysia will complement the capabilities of our Singapore hub.

In May 2022, we acquired a 75% stake in SR Technics Malaysia, which was subsequently renamed Asia Pacific Aircraft Component Services (APACS). This acquisition added component repair and overhaul capabilities for more than 600 part numbers for Airbus and Boeing aircraft, creating further opportunities for Component Services business growth. Our component MRO capabilities were further expanded through a 10-year licensing agreement with Honeywell for the repair of the Air Data Inertial Reference Unit on Boeing 737 and 787 aircraft, which will be performed at APACS.

Our efforts in acquiring new capabilities and winning new customers are also progressing well in other areas of our business. For instance, our Engine Services unit expanded its Rolls-Royce Trent On-Wing engine repair capabilities to include boroblending and fan blade reprofiling, and continued to work closely with partners to ramp up capacity and expand capabilities of its Aircraft Engine Services facility. Our Engine Test Facility was also upgraded and its capabilities expanded to include LEAP-1A engine testing. At Base Maintenance, we extended our maintenance agreement with Hawaiian Airlines for its A330-200 fleet, covering additional checks for 11 aircraft into 2027. We secured a new customer, MYAirline, a low-cost airline based at Kuala Lumpur International Airport, under our Inventory Technical Management Programme. In addition, we signed new Comprehensive Services Agreements with Singapore Airlines and Scoot. These agreements, which have a two-year term with a one-year extension option, will see SIAEC provide a broad spectrum of MRO and fleet management support services to both airlines. The agreements are worth an aggregate of $1.26 billion.

RAMPING UP MANPOWER FOR OPERATIONAL RESILIENCE

To gear up for growth, it is crucial to have sufficient manpower. We were able to retain most of our skilled engineers and technicians during the pandemic, thanks to the Jobs Support Scheme provided by the Singapore Government, coupled with our manpower cost mitigation measures and the support from the unions.

Even so, we have been actively ramping up our workforce ahead of the recovery. Advance recruitment efforts have enabled us to keep pace with the strong recovery in MRO activities and ensure operational resilience. Despite the tight labour market, we will continue to closely manage our manpower resources to keep pace with Changi Airport’s recovery to pre-COVID levels.

FROM TRANSFORMATION TO CONTINUOUS IMPROVEMENT

Alongside our growth strategy, we continued to focus on Transformation. To grow beyond recovery from the pandemic, it was imperative for us to scale up Lean initiatives, advance digitalisation and technology adoption, and sustain an innovation culture, so as to strengthen our organisational capabilities, create value for our key stakeholders, and boost our competitiveness. SIAEC’s Transformation Phase 2 efforts made good progress in FY2022/23, generating greater value and higher efficiencies.

The introduction of Lean, digital and other technical skillsets across the Company has strengthened our planning and operational efficiency. We are more agile and better positioned to deal with disruptions and drive improvements. A strong and active innovation culture in SIAEC has also allowed us to harness the increasing number of staff idea submissions, develop ground-up initiatives and encourage experimentation in artificial intelligence, machine vision and optimisation tools.

The integration of Lean and digitalisation into our operating systems has resulted in shorter turnaround times and in turn, improved aircraft availability and operational resilience for our airline customers. For our staff, investment in automation and assistive tools has provided a safer and less physically strenuous working environment, leading to enhanced productivity and job satisfaction. These transformation outcomes have earned us awards from customers and recognition from the aviation industry. SIAEC was conferred the “Asia-Pacific MRO of the Year” award by Airline Economics magazine for the second consecutive year, and the “Asia MRO of the Year – Airframe” award by Aviation Week Network, in 2022. SIAEC was also included amongst the top 200 best employers in Singapore by The Straits Times and Statista.

The strengthening of our maintenance planning and execution has boosted our competitiveness, generating higher asset utilisation to increase our revenue from new and existing customers. These initiatives have resulted in improved profitability, service levels and productivity.

CHAIRMAN'S STATEMENT

Following the successful conclusion of the Transformation Phase 2 programme, we will transition to the Continuous Improvement programme which was just launched in May 2023. This programme demonstrates our commitment to embed the culture of continuous improvement in our corporate DNA for the sustained pursuit of operational excellence. We not only aim to enhance the value we deliver to stakeholders amid an evolving MRO industry, but also create lasting value for Singapore's aviation ecosystem.

BUILDING A FUTURE-READY WORKFORCE AND THE NEXT GENERATION OF TALENTS

We have been continually upskilling and reskilling our workforce with Lean, digital and other technical skillsets. It is necessary for our workforce to acquire new skills and competencies beyond just aerospace engineering to meet the evolving needs of the aerospace industry.

In March 2023, SIAEC signed MOUs with seven Institutes of Higher Learning (IHLs) with the aim to build an agile and future-ready workforce through continuing education and training; to nurture students who are the next generation of talents for the aerospace engineering industry; and to foster greater industry-academia collaboration through knowledge exchange and joint projects. While historical collaborations with academia were largely confined to the aerospace engineering field, new initiatives under the MOUs will focus on attracting talents from diverse disciplines relevant to the demands of the business.

SUSTAINABILITY INITIATIVES

As a sustainability-centric MRO service provider, SIAEC continues to support the aviation industry's goal of net zero carbon emissions by 2050. In the medium term, we are committed to halving Scope 1 and 2 carbon emissions by 2030, from the baseline year of FY2019/20.

To move closer toward these goals, SIAEC is investing in energy-efficient equipment and cleaner vehicles, such as the progressive upgrading of air compressors at our hangars and scaling up the adoption of electric tractors. With 18% of our current electricity needs being fulfilled by existing solar panels, there are plans to expand our use of renewable energy with the installation of additional solar panels. All SIAEC-owned buildings are also certified as PUB Water Efficient Buildings.

In recognition of our sustainability efforts, our scores have been upgraded by sustainability rating agencies, such as Sustainalytics and S&P Global. Going forward, we intend to take further steps to decarbonise our operations whilst enhancing our sustainability disclosures and deepening our engagement with stakeholders.

Furthermore, the introduction of a Board Diversity Policy articulates our belief and commitment to building a diverse, inclusive and collaborative culture that will enhance decision-making and set an example for the organisation.

APPRECIATION

On behalf of the Board of Directors, I would like to express our deepest appreciation to Mrs Christina Ong, who retired as a Non-Executive and Independent Director at the end of 2022 after serving on the Board for nine years. Mrs Ong's guidance and contributions were invaluable to the strong governance practices and success of the Group during her tenure. I wish her a happy retirement.

I would also like to take this opportunity to extend a warm welcome to Ms Chong Chuan Neo and Ms Tan Tze Gay, who were appointed as Non-Executive and Independent Directors on 1 October 2022 and 28 October 2022, respectively. Their extensive experience and expertise will serve us well in charting the strategic direction of the SIAEC Group.

Mr Ng Chin Hwee will be retiring as Chief Executive Officer (CEO) of SIAEC with effect from 1 October 2023 and will relinquish his Directorship on the same date. I would like to convey the Board's sincere appreciation to him for bearing the daunting task of leading the Group through the MRO industry's greatest crisis during the COVID-19 pandemic. His excellent leadership and steady grip have enabled the Group to not only survive but navigate a smooth path towards recovery. I wish him a happy retirement ahead.

At the same time, I warmly welcome Mr Chin Yau Seng, who was appointed as CEO-Designate with effect from 1 June 2023 and will succeed Mr Ng as CEO on 1 October 2023. Mr Chin was formerly Senior Vice President Cargo of Singapore Airlines Limited, and has extensive experience in aviation, business and operations garnered through various senior executive positions held across the SIA Group. He remains on the Board of SIAEC as a Non-Independent and Executive Director.

To the SIAEC team, your hard work and perseverance to ensure that the Group emerges stronger from the pandemic have never ceased to amaze me. A special word of thanks to all our staff, unions and Management for your contributions and commitment to the transformation and success of the Group.

Lastly, I wish to convey our heartfelt gratitude to all shareholders, customers, business partners, government agencies, stakeholders and friends for your continued support and trust in us.

TANG KIN FEI
Chairman

CORPORATE CALENDAR

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

2023

17 FEB
Announcement of FY2022/23 third-quarter business updates

8 MAY
Announcement of FY2022/23 full-year financial results

9 MAY
Analyst briefing on FY2022/23 full-year financial results

21 JUN
Despatch of Notice of Annual General Meeting to shareholders and website publication of Notice of Annual General Meeting and FY2022/23 Annual Report

20 JUL
41st Annual General Meeting

25 JUL
Announcement of FY2023/24 first-quarter business updates

11 AUG
Payment of FY2022/23 final dividend

2 NOV
Announcement of first-half FY2023/24 financial results

3 NOV
Analyst briefing on first-half FY2023/24 financial results

BOARD OF DIRECTORS

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

MS CHUA BIN HWEE
Chairman, Audit Committee
Member, Executive Committee
Member, Board Sustainability Committee
Non-Executive and Independent Director

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

DR RAJ THAMPURAN
Chairman, Technology Advisory Committee
Member, Audit Committee
Member, Board Safety & Risk Committee
Non-Executive and Independent Director

MR GOH CHOON PHONG
Member, Compensation & HR Committee
Member, Executive Committee
Non-Executive and Non-Independent Director

MR NG CHIN HWEE
Member, Executive Committee
Member, Technology Advisory Committee
Member, Board Sustainability Committee
Non-Independent Director and Chief Executive Officer

MR WEE SIEW KIM
Member, Board Safety & Risk Committee
Member, Compensation & HR Committee
Non-Executive and Independent Director

MR MAK SWEE WAH
Member, Board Safety & Risk Committee
Member, Nominating Committee
Non-Executive and Non-Independent Director

MR CHIN YAU SENG
Member, Executive Committee
Member, Technology Advisory Committee
Member, Board Sustainability Committee
Non-Independent Director and CEO-Designate

MS CHONG CHUAN NEO
Member, Audit Committee
Member, Nominating Committee
Member, Technology Advisory Committee
Non-Executive and Independent Director

MS TAN TZE GAY
Member, Audit Committee
Member, Board Sustainability Committee
Non-Executive and Independent Director

MRS CHRISTINA ONG
Chairman, Nominating Committee
Chairman, Board Sustainability Committee
Member, Audit Committee
Non-Executive and Independent Director
(until 31 December 2022)

BOARD OF DIRECTORS

MR TANG KIN FEI, 72

Chairman, Board of Directors
Chairman, Compensation & HR Committee
Chairman, Executive Committee
Chairman, 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.

With effect from 15 May 2023, Mr Tang was appointed as the Executive Chairman of Metis Energy Limited, Chairman of Singapore LNG Corporation Pte Ltd and Singapore Cooperation Enterprise. He is also a Director of Athena Energy Holdings Pte Ltd, Metis Solar Pte Ltd, Summit Power International Ltd, Thermodynamics Technology Asia Limited, Thermodynamics Technology Pte Ltd, Red Dot Energy and Technology Asia Pte Ltd and Vietrof RE Pte Ltd, 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	Executive Chairman

Other Principal Commitments

	Organisation/Company	Title
1.	Singapore LNG Corporation Pte Ltd	Chairman
2.	Summit Power International Ltd	Director
3.	Singapore Cooperation Enterprise	Chairman
4.	Kwong Wai Shiu Hospital	Vice-Chairman
5.	Kwong Wai Shiu Hospital Foundation	Chairman
6.	Athena Energy Holdings Pte Ltd	Director
7.	Vietrof RE Pte. Ltd.	Director
8.	Metis Solar Pte Ltd	Director
9.	Thermodynamics Technology Asia Limited	Director
10.	Thermodynamics Technology Pte. Ltd.	Director
11.	Red Dot Energy and Technology Asia Pte Ltd	Director

Directorships/Appointments in the past 5 years

	Organisation/Company	Title
1.	Singapore Chinese Chamber of Commerce and Industry	Council Member
2.	National Research Foundation	Board Member
3.	Ngee Ann Polytechnic	Council Chairman

MS CHUA BIN HWEE, 66

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 Marelli Holdings Co., 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 Housing & Development Board, Duke-NUS Medical School, 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.	National Heritage Board	Director
4.	Marelli Holdings Co. Ltd	Director

BOARD OF DIRECTORS

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
7.	Mapletree Oakwood Holdings Pte Ltd	Director

MR LIM KONG PUAY, 66

Chairman, Board Safety & Risk Committee
Chairman, Board Sustainability Committee
Member, Audit 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 wastewater 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

DR RAJ THAMPURAN, 59

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) from 1 February 2020 till 29 May 2023.

His career spans across 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 institutes 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. At Surbana Jurong Private Limited, he helped spearhead the Group's digital strategy and transformation efforts as well as setting priorities and a framework for technology investments.

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

BOARD OF DIRECTORS

Other Principal Commitments

	Organisation/Company	Title
1.	The Institution of Engineers – College of Fellows (CoF) Board	Member (CoF)
2.	MINDS (RCCS Sub-committee)	Member
3.	Singapore Academy of Engineers	Fellow

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 & 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

MR GOH CHOON PHONG, 59

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 (SIA). He joined SIA in 1990 and has held senior management positions in Singapore and overseas. He joined SIA's Board on 1 October 2010 and was appointed Chief Executive Officer on 1 January 2011.

Mr Goh was previously Executive Vice President Marketing and the Regions and President of SIA Cargo. Prior roles with SIA included Senior Vice President Finance, Senior Vice President Information Technology, and Senior Vice President Commercial Technology. His overseas assignments were in China and Scandinavia.

Mr Goh is the Chairman of Budget Aviation Holdings Pte Ltd, which owns and manages SIA's low-cost subsidiary Scoot Pte Ltd. He is a member of the National University of Singapore Board of Trustees, where he was Chairman of its Innovation and Enterprise Committee and has been appointed to its Nominating Committee and Executive Committee since 1 April 2023. Mr Goh is an Independent Director on the Board of Mastercard Incorporated.

Mr Goh is an Executive Committee member of the Association of Asia Pacific Airlines (AAPA), and was appointed as its Chairman on 1 January 2023.

In addition, Mr Goh is a member of the MIT Presidential CEO Advisory Board, made up of CEOs from leading companies in a variety of industries around the world.

Mr Goh was a member of the Board of Governors of the International Air Transport Association and was its Chairman between June 2017 and June 2018. He also previously served on the Board of Directors for Mount Alvernia Hospital and Virgin Australia Holdings Limited.

Mr Goh was the 2015 recipient of the Centre for Aviation's Asia-Pacific Airline CEO of the Year award. In 2016 he received the CEO Lifetime Achievement Award from the Airline Passenger Experience Association, as well as the Eisenhower Global Innovation Award from the Business Council for International Understanding. He was named Outstanding Chief Executive Officer of the Year in the Singapore Business Awards 2017, Person of the Year by Orient Aviation magazine in 2018, and Best Chief Executive Officer for companies with $1 billion or more in market capitalisation at the 2019 Singapore Corporate Awards.

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, USA

Current Directorships In Other Listed Companies

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

BOARD OF DIRECTORS

Other Principal Commitments

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

Directorships/Appointments in the past 5 years

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

MR NG CHIN HWEE, 62

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 SIAEC on 1 April 2020. He was the Executive Vice President for Human Resources and Operations in SIA until 31 March 2020.

Mr Ng joined SIA 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 SIA 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.	Budget Aviation Holdings Pte Ltd	Director
2.	NokScoot Airlines Co., Ltd	Director
3.	Advisory Council on Community Relations in Defence (Employer and Business)	Member
4.	Future Economy Council, Trade and Connectivity Sub-Committee	Member

MR WEE SIEW KIM, 62

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 (Singapore Technologies). 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 and Technology and Medicine, UK
- Master of Business Administration, Graduate School of Business, Stanford University, USA
- Fellow, City and Guilds of London Institute

Current Directorships In Other Listed Companies

	Company	Title
1.	Singapore Telecommunications Limited	Director
2.	Nippon Paint Holdings Co Ltd	Director, Representative Executive Officer & Co-President

BOARD OF DIRECTORS

Other Principal Commitments

	Organisation/Company	Title
1.	NIPSEA Group	Group Chief Executive Officer
2.	Nipsea Management Company Pte Ltd	Director
3.	Jurong Port Pte Ltd	Chairman
4.	Nippon Paint Coatings (Taiwan) Co., Ltd.	Director
5.	Nippon Paint (Singapore) Co., Pte. Ltd.	Director
6.	Nippon Paint (Vietnam) Co., Ltd.	Director
7.	Nippon Paint Vietnam (Hanoi) Co., Ltd.	Director
8.	Nippon Paint (Malaysia) Sdn. Bhd.	Director
9.	Paint Marketing Co. (M) Sdn. Bhd.	Director
10.	Nippon Paint (Thailand) Co., Ltd.	Director
11.	Nipsea Chemical Co., Ltd.	Director
12.	Nippon Paint (H.K.) Co., Ltd.	Director
13.	Nippon Paint (China) Co., Ltd.	Director
14.	Nippon Paint (H.K.) Co Ltd Taiwan Branch	Director
15.	GuangZhou Nippon Paint Co., Ltd.	Director
16.	Nippon Paint (ChengDu) Co., Ltd.	Director
17.	Nippon Paint (TianJin) Co., Ltd.	Director
18.	Langfang Nippon Paint Co., Ltd	Director
19.	Nippon Paint China Holdings Co., Ltd.	Director
20.	Nippon Paint Decorative Coatings (Thailand) Co., Ltd.	Director
21.	Nippon Paint Coatings (Taiwan) Co., Ltd. (fka Asia Industries, Ltd.)	Director
22.	NP Auto Refinishes Co., Ltd.	Director
23.	Nippon Paint (ShenYang) Co., Ltd.	Director
24.	Nippon Paint Vinh Phuc Co., Ltd.	Director
25.	Nippon Paint Lanka (Private) Limited.	Director
26.	Nipsea Technologies Pte. Ltd.	Director
27.	HSJ Pte Ltd	Director
28.	Guangdong Nippon Paint Changrunfa Technical Materials Co., Ltd	Director
29.	Nippon Paint (Qingyuan) Co., Ltd.	Director
30.	DuluxGroup Limited	Director
31.	Vital Technical Sdn Bhd	Director
32.	Nippon Paint Energy Saving and Environmental Protection Technology (Shanghai) Co., Ltd.	Director
33.	Shanghai Nippon Paint Lomon New Materials Technology Co., Ltd.	Director
34.	Nippon Paint Holdings SG Pte Ltd	Director
35.	Betek Boya Ve Kimya San. A.S.	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 Tasyunu Sanayani Ve Ticaret A.S.	Director
14.	Faber Union Ltd	Director
15.	Neteks Boya Teknolojileri A.S.	Director
16.	Ideal Firca Ve Rulo Sanayi A.S.	Director
17.	Nippon Paint (India) Pte Ltd	Director
18.	Mapletree Logistics Trust Management Ltd	Director
19.	Nippon Paint Malaysia (S) Pte Ltd	Director
20.	Nippon Paint Industrial Coatings (Shanghai) Co., Ltd.	Director
21.	BK & NP Automotive Coatings (ShangHai) Co., Ltd.	Director
22.	Nippon Paint (Hubei) Co., Ltd.	Director
23.	Nippon Paint (Zhengzhou) Co., Ltd.	Director
24.	Nippon Paint (KunMing) Co., Ltd.	Director
25.	Nippon Paint (Henan) Co., Ltd.	Director
26.	Nippon Paint Building Solutions (Shanghai) Co., Ltd.	Director
27.	Nippon Paint New Materials (Tianjin) Co., Ltd.	Director
28.	Zhenfucai Materials Technology (Chengdu) Co., Ltd	Director
29.	Nippon Paint New Materials (Nanjing) Co., Ltd	Director
30.	Nippon Paint New Materials (Jiangsu) Co., Ltd	Director
31.	Nippon Paint And Surface Chemicals Pvt. Ltd	Director
32.	Nippon Paint Automotive Europe GmbH	Director
33.	Nippon Paint Pakistan (Private) Limited.	Director
34.	Nippon Paint (Bangladesh) Private Limited.	Director

BOARD OF DIRECTORS

MR MAK SWEE WAH, 62

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

Mr Mak was appointed Director on 1 April 2020. He is SIA's Chief Operations Officer. He joined SIA in 1983 and has worked in a number of management positions in Singapore as well as overseas.

Mr Mak was appointed as SilkAir (Singapore) Private Limited (SilkAir)'s General Manager in 1997. After 2000, he held senior management positions in the marketing, planning and operational areas in SIA. 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 SIA's Cabin Crew, Customer Services and Operations, Engineering and Flight Operations divisions.

Mr Mak is currently Chairman of SilkAir. He was also appointed as Director on the Board of Mount Faber Leisure Group Pte Ltd on 26 April 2022.

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, University of London, UK

Other Principal Commitments

	Organisation/Company	Title
1.	Singapore Airlines Limited	Chief Operations Officer
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

MR CHIN YAU SENG, 51

Member, Executive Committee
Member, Technology Advisory Committee
Member, Board Sustainability Committee
Non-Independent Director and Chief Executive Officer-Designate

Mr Chin was appointed Director on 8 October 2018. He joined SIAEC as Chief Executive Officer-Designate on 1 June 2023.

Prior to that, Mr Chin was Senior Vice President Cargo, SIA, following the re-integration of SIA Cargo (then a wholly-owned subsidiary of SIA) as a Division within SIA on 1 April 2018. Before that, he had been President SIA Cargo since May 2014.

Mr Chin began his career with SIA in 1995 as a Cadet Administrative Officer and has held various executive positions across the SIA Group.

He was Chief Executive SilkAir from 2007 to 2010 and Chief Executive Officer of Tiger Airways Holdings Ltd from 2011 to 2012. Prior to his move to SIA Cargo, he held the position of Senior Vice President Sales & Marketing in SIA.

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, University of London, UK

Directorships/Appointments in the past 5 years

	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

BOARD OF DIRECTORS

MS CHONG CHUAN NEO, 60

Member, Audit Committee
Member, Nominating Committee
Member, Technology Advisory Committee
Non-Executive and Independent Director

Ms Chong was appointed Director on 1 October 2022. Ms Chong spent 29 years at Accenture where she held senior leadership roles covering various industries and countries in Asia. She was the Chairman and Country Managing Director of Accenture Greater China from 2015 to 2018, during which she was responsible for strategic planning and execution, growth and profitability, leadership development, corporate governance, risk management and client satisfaction. Prior to that, she also managed Accenture's Asia Pacific Consumer, Industrial, Travel & Transport business and the Global Transport (Air, Land, Sea), Travel, Hospitality and Infrastructure business. Her experience extends to areas such as technology and digital transformation, efficiency improvement and cost management leveraging software, robotics and data analytics.

Ms Chong is currently a Non-Executive and Independent Director of Oversea-Chinese Banking Corporation Limited and Raffles Medical Group Ltd. She is also an Operating Director with Partners Group, a Swiss global Private Equity firm. She previously served as a member of the National University of Singapore (NUS) Innovation and Enterprise Executive Committee, a Board member of NUS Graduate Investments Pte Ltd and an Advisor in the Digital Advisory Council of the National Volunteer and Philanthropy Centre.

Academic and Professional Qualifications:

- Bachelor of Science (Computer Science and Mathematics), National University of Singapore

Current Directorships In Other Listed Companies

	Company	Title
1.	Raffles Medical Group Ltd	Director
2.	Oversea-Chinese Banking Corporation Ltd	Director

Other Principal Commitments

	Organisation/Company	Title
1.	Lion Global Investors Ltd	Director
2.	iShine Cloud Ltd	Director
3.	MODA Solutions (BCR Shanghai)	Director
4.	Partners Group Pte Ltd	Director

Directorships/Appointments in the past 5 years

	Organisation/ Company	Title
1.	Accenture Singapore Pte Ltd	Director
2.	Newspage Pte Ltd	Director
3.	Aimazing Pte Ltd	Director
4.	Graduate Investment (NUS GRIP) Pte Ltd	Director
5.	vKirirom Pte Ltd	Director
6.	Digital Task Force, National Volunteer & Philanthropy Center	Adviser
7.	NUS Innovation & Enterprise	Executive Council Member
8.	Boost Holdings Sdn Bhd (Malaysia)	Director

MS TAN TZE GAY, 58

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

Ms Tan was appointed Director on 28 October 2022. Ms Tan is a Partner and the Head of Equity Capital Markets at Allen & Gledhill LLP. Her areas of expertise span across equity and debt capital markets and corporate regulatory and compliance. She has extensive experience acting for issuers and underwriters on a wide range of innovative, high value and complex transactions, from initial public offerings and listings on the Singapore Exchange as well as regional and international exchanges to global debt offerings. She continues to advise listed corporates and business trusts after listing on their follow-on equity offerings, debt offerings, acquisitions and disposals and corporate regulatory and compliance advisory matters.

Ms Tan has been the Chief Examiner, Corporate Finance, for the Foreign Practitioner Examinations since 2012 and a Lecturer for Advance Corporate Law, Preparatory Course Leading to Part B of the Singapore Bar Exams since 2011.

Academic and Professional Qualifications:

- Bachelor of Laws (Honours, Second Upper), National University of Singapore

Current Directorships In Other Listed Companies

	Company	Title
1.	Singapore Telecommunications Limited	Director

Other Principal Commitments

	Organisation/Company	Title
1.	Allen & Gledhill LLP	Head of Equity Capital Markets & Partner

Directorships/Appointments in the past 5 years

Organisation/Company	Title
Nil	

BOARD OF DIRECTORS

MRS CHRISTINA ONG, 71
Chairman, Nominating Committee
Chairman, Board Sustainability Committee
Member, Audit Committee
Non-Executive and Independent Director
(until 31 December 2022)

Mrs Ong was appointed Director on 1 January 2014. She is Chairman and Senior Partner of Allen & Gledhill LLP, where she 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

KEY EXECUTIVES

NG CHIN HWEE
Chief Executive Officer

Mr Ng is a Director and the Chief Executive Officer of 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 SIA until 31 March 2020.

Mr Ng joined SIA 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 SATS. He left SATS to rejoin SIA 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.

CHIN YAU SENG
Chief Executive Officer-Designate

Mr Chin is a Director and joined SIAEC as Chief Executive Officer-Designate on 1 June 2023. Prior to that, Mr Chin was Senior Vice President Cargo, SIA, following the re-integration of SIA Cargo (then a wholly-owned subsidiary of SIA) as a Division within SIA on 1 April 2018. Before that, he had been President SIA Cargo since May 2014.

Mr Chin began his career with SIA in 1995 as a Cadet Administrative Officer and has held various executive positions across the SIA Group.

He was Chief Executive SilkAir from 2007 to 2010 and Chief Executive Officer of Tiger Airways Holdings from 2011 to 2012. Prior to his move to SIA Cargo, he held the position of Senior Vice President Sales & Marketing in SIA.

Mr Chin has a Bachelor of Science (Economics) in Accounting & Finance and a Master of Science (Distinction) in Operational Research, both from the London School of Economics & Political Science, University of London, UK.

FOO KEAN SHUH
Executive Vice President Operations / Chief Sustainability Officer

Mr Foo was appointed Executive Vice President Operations and Chief Sustainability Officer on 1 April 2022. He joined the Engineering Division of SIA 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 and 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 held senior management roles at other organisations such as General Electric, ABB-Alstom, SAP and ICI, with responsibilities in areas such as business development, finance, commercial management and marketing, as well as engineering project development and quality management.

Mr Wong is the Chairman of Asia Pacific Aircraft Component Services Sdn Bhd, Deputy Chairman of Eagle Services Asia Private Limited and a Director of Singapore Aero Engine Services Private Limited, Jamco Aero Design and 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 Chartered Engineer and Fellow of The Institution of Engineering and Technology (CEng FIET), 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

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 Chairman of Singapore Aero Support Services Pte. Ltd., the Deputy Chairman of Goodrich Aerostructures Service Center – Asia Pte. Ltd., and a Director of SIA Engineering (Philippines) Corporation, Moog Aircraft Services Asia Pte Ltd and Southern Airports Aircraft Maintenance Services Co. Ltd.

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

NG LAY PHENG
Senior Vice President Finance /
Chief Financial Officer

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

Ms Ng joined SIA 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

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 Director of Safran Landing Systems Services Singapore Pte Ltd.

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

DAVID SO MAN FUNG
Senior Vice President Corporate
Planning & Continuous Improvement

Mr So was appointed Senior Vice President Corporate Planning & Continuous Improvement on 1 February 2023. Prior to his latest appointment, he was Senior Vice President Transformation and Technology. In addition to innovation and technology, and the Enterprise Continuous Improvement office, he is also responsible for corporate planning and supply chain management. Besides driving improvements in systems and processes, he oversees strategic and innovative plans for capability development and technology adoption across all divisions in SIAEC.

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 Transformation Office in 2017.

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

Mr So sits on the council of the Institution of Engineers Singapore. He holds a Bachelor of Engineering (Honours) degree from the National University of Singapore.

KEY EXECUTIVES

CHUA HOCK HAI
Senior Vice President
Human Resources

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

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 Human Resources Director at Philips Electronics Singapore and Vice President of Human Resources 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 Nanyang Technological University, Singapore.

STEFAN FRANZ HEINRICH SCHMUCK
Senior Vice President
Engine Services

Mr 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, Germany, and completed the General Management Program from Harvard Business School, USA.

JEREMY YEW
Senior Vice President
Base Maintenance

Mr 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 SIA, a position he had held since 2018. He joined SIA 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 University of California, Los Angeles, USA, and a Bachelor of Engineering (Honours) degree from the National University of Singapore.

BERND RIGGERS
Senior Vice President
Component Services

Mr Riggers was appointed Senior Vice President Component Services on 16 January 2023. He is currently responsible for the Component Services Division.

Prior to his appointment, Mr Riggers was the General Manager, Product Business Unit Aircraft Overhaul, of Aircraft Maintenance & Engineering Corporation in China since 2021. He has 22 years of prior work experience in Lufthansa Technik, and held leadership appointments covering regions like China, North America, and Germany. He has extensive experience in MRO and Component Services including profit and loss, purchasing, and logistics.

Mr Riggers has a Doctors Degree in Economics from the University of St. Gallen (HSG), Switzerland. He holds a Master of Science Degree in Industrial Engineering from the Technical University Berlin, Germany, and completed the International Master in Practicing Management Leadership Program at INSEAD, France.

THE YEAR IN REVIEW

FINANCIAL YEAR OPERATING RESULTS

For the financial year ended 31 March 2023 (FY2022/23), the SIAEC Group recorded a net profit of $66.4 million despite the reduction in government wage support, albeit $1.2 million lower compared to the prior year. Revenue rose 40.6% year-on-year to $796.0 million as aircraft maintenance and overhaul demand picked up with the recovery of flight activities.

Group expenditure rose 39.9% year-on-year to $822.3 million in FY2022/23 mainly due to the stepping down of government wage support and increase in material and manpower costs. The latter was largely due to higher headcount and cessation of manpower cost mitigation measures.

With flight recovery coming from a low base, the number of flights handled in Singapore in FY2022/23 represented only about 65% of pre-pandemic volume. While the Group operating loss of $26.3 million was $4.5 million higher than last year, as the full-year operating improvement was insufficient to completely offset the reduction in wage support, losses narrowed progressively quarter-on-quarter. Excluding the impact of the reduction in wage support, operating performance of the Group improved $55.6 million year-on-year.

Share of profits from associated and joint venture companies was $77.8 million in FY2022/23, $1.3 million lower than in FY2021/22 which had included a one-time writeback of tax provisions. Excluding the tax write-back in FY2021/22 and wage support, the Group's share of profits for FY2022/23 was $42.7 million higher year-on-year. Contributions from the Engine and Component segment improved 62.5% to $76.2 million, while the Airframe and Line Maintenance segment recovered from a loss of $11.8 million to a profit of $1.6 million in FY2022/23.

Excluding the effect of the prior year's tax write-back and lower wage support, net profit of the Group for FY2022/23 improved by $102.6 million year-on-year.

OPERATING PERFORMANCE

With most border restrictions lifted over the year, FY2022/23 saw the strongest recovery of flight activities since the onset of the pandemic, and in turn, increased demand for MRO services.

The Group's proactive recruitment efforts in anticipation of sustained recovery enabled it to scale up its operations to meet the rebound and ensure operational resilience.

On the back of the upswing, the Group saw improved business volume and new customers. This was supported by productivity improvements and expanded capabilities delivered through SIAEC's Transformation initiatives. Consequently, the Company recorded revenue growth across all business units and the Group's portfolio of joint venture and associated companies.

The number of flights handled by Line Maintenance Singapore increased steadily during FY2022/23, hitting 79% of pre-pandemic volume in March 2023. Due to the recovery from a low base, the number of flights handled for the year was about 65% of pre-pandemic volume. Our overseas Line Maintenance stations experienced similar recovery trends.

With the additional capacity generated through Lean practices, Base Maintenance was able to take advantage of the recovery and capacity challenges in the aviation industry to perform more heavy aircraft checks in FY2022/23. The unit also secured new customer contracts, including a five-year agreement with Hawaiian Airlines.

To seize opportunities from the growing demand for component MRO as the aviation industry recovers, all existing component repair, fleet management and inventory technical management services were consolidated under the new Component Services Division set up on 1 April 2022. Work volume across the Group's component shops increased in line with higher flight activities while new capabilities were added. We secured a new customer, MYAirline, under a 10-year contract to provide component support for its A320 fleet. As of end FY2022/23, 109 aircraft from 10 airlines were under our Inventory Technical Management Programme, compared to 95 aircraft from 9 airlines a year ago.

SIAEC also signed new Comprehensive Services Agreements with Singapore Airlines and Scoot. These agreements are effective for two years from 1 April 2023 with a one-year extension option, and are worth $1.14 billion and $120.8 million, respectively.

THE YEAR IN REVIEW

For the Engine Services unit, engine inductions have ramped up progressively at our Aircraft Engine Services (AES) facility since completion of the first CFM LEAP delivery in FY2022/23. The Engine Test Facility has also been upgraded, with capabilities expanded to include LEAP-1A engine testing.

Similarly, performance across the Group's portfolio of joint venture and associated companies has rebounded in line with the industry recovery. While some entities faced supply chain issues due to parts shortages, leading to longer repair cycles, these issues have been manageable.

GEARING UP FOR GROWTH

To strengthen our competitiveness and gear up for growth as the aviation industry recovers, we have built on our multi-faceted strategy to invest in new capabilities and reshape our business to drive long-term sustainable growth. The SIAEC of today is more capable, more agile and better adapted to deal with business and operational disruptions compared to pre-pandemic days. We are also in a stronger position to expand into new business segments and seize opportunities beyond the recovery.

Our Engine Services and Component Services divisions were set up to capture the anticipated demand for engine quick turn maintenance and component repair services respectively for new generation aircraft. A centralised Sales and Commercial unit and regional sales offices were also established in FY2022/23 to drive the growth of third-party business and expand our customer base.

To grow beyond recovery from the pandemic, Transformation continued to be an important part of our strategy in FY2022/23 to strengthen our organisational capabilities, create value for our key stakeholders, and boost our competitiveness. Through three key levers of scaling up Lean initiatives, advancing digitalisation and technology adoption, and sustaining an innovation culture, phase 2 of Transformation has led to improved efficiency and productivity, strengthened organisational capabilities and generated greater value amidst a high-cost environment.

More information on our efforts to broaden our capabilities and extend our geographical presence under our growth strategy, as well as the successful conclusion of phase 2 of our Transformation programme, are provided later in this report.

The Group's efforts to retain staff during the pandemic and drive recruitment activities ahead of the recovery have served us well. They have enabled the Group to scale up operations to meet the rebound in MRO demand and ensure operational resilience in FY2022/23 amidst a tight labour market. We will continue to closely manage our manpower resources to keep pace with the flight recovery at Changi Airport.

To build a future-ready workforce that can enable SIAEC to achieve its business goals, the Group continued to roll out workforce upskilling and training programmes. Our employees had each completed an average of 46.5 hours of training in FY2022/23 compared to 41.0 hours a year ago.

OUTLOOK

Aviation traffic in Singapore and Asia-Pacific has continued to improve as airlines in the region have been benefitting from higher air travel demand following the reopening of China's borders in early 2023 and the removal of travel restrictions across most countries. With the worst of the COVID-19 crisis behind us, the Group anticipates not only recovering to pre-COVID-19 business volume but emerging stronger.

However, with flight recovery already close to 80%, the pace of flight recovery in FY2023/24 is expected to be slower than last year. In addition, the interplay of macro factors, namely geopolitical tensions, a looming economic slowdown in many major economies, supply chain disruptions and persistent high inflation could pose risks to the recovery trajectory, with downstream impact on demand for MRO services.

Transformation initiatives undertaken during the COVID-19 period have enhanced our productivity and competitiveness. Building on those efforts, we will continue to be vigilant in managing rising costs and driving continuous improvement in productivity and efficiency across our operations, whilst focusing on workforce training and upskilling. As we transition from the Transformation programme to our Continuous Improvement journey, we endeavour to further enhance our operating system and unlock the full potential of our staff, by building a robust and sustainable culture of continuous improvement.

At the same time, we remain committed to our strategies for sustainable business growth. These include organic investments and development of new MRO capabilities; broadening the scope and capabilities of our current joint venture companies through new acquisitions and partnerships; and expanding our geographical presence to gain new customers and business.

DIVIDEND

The Board has recommended a final ordinary dividend of 5.5 cents per share for FY2022/23, the Company's first dividend since the onset of the pandemic. Payment of the final dividend of approximately $61.7 million is subject to shareholders' approval at the Annual General Meeting on 20 July 2023. If approved, the dividend will be paid on 11 August 2023.

AIRFRAME OVERHAUL AND LINE MAINTENANCE

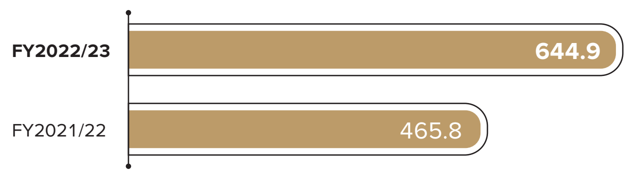
Demand for aircraft checks in FY2022/23 was strong as operators returned grounded aircraft to service with the rapid pick-up in air travel. We were able to capitalise on the increased demand as application of Lean practices across our Base Maintenance operations yielded additional capacity for checks through reduced turnaround time.

In FY2022/23, a total of 662 checks were completed in Singapore, 50.1% more than the 441 checks performed last year. Base Maintenance Clark completed 32 checks, up 33.3% over FY2021/22. There were more checks with heavier work content in FY2022/23 as airlines returned older, parked aircraft to the skies to ramp up capacity.

Base Maintenance added new Airframe Overhaul contracts and expanded its scope of services with seven airline customers and renewed services with two others in FY2022/23. This included a new five-year maintenance agreement with our existing customer, Hawaiian Airlines, to perform airframe maintenance services for its fleet of A330-200 aircraft.

With a view to expanding SIAEC's capacity and network of base maintenance facilities in the region, we signed a non-binding Memorandum of Understanding with Impeccable Vintage Properties to potentially lease two hangars in Subang, Malaysia. These hangars have a combined capacity for six simultaneous aircraft checks.

Airframe and Line Maintenance Revenue ($M)



Number of Checks Performed at Singapore Base

	Light Checks	Heavy Checks	Total
FY2022/23	**568**	**94**	**662**
FY2021/22	348	93	441

Number of Checks Performed at Clark Base

	Heavy Checks
FY2022/23	**32**
FY2021/22	24

Airframe Overhaul and Line Maintenance Services

Aircraft undergo scheduled maintenance checks to maintain their airworthiness certifications with national regulatory authorities, such as the Civil Aviation Authority of Singapore, the 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:

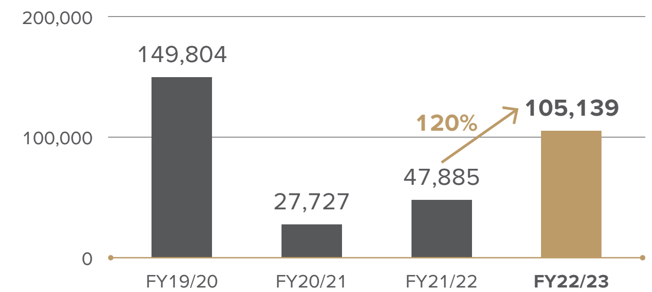
- Airframe structural repair and modification
- Cabin refurbishment and modification
- VIP aircraft modification
- Aircraft painting
- Retrofit of in-flight entertainment and avionics systems
- Aircraft delease checks
- Aircraft preservation
- Return to Service checks

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:

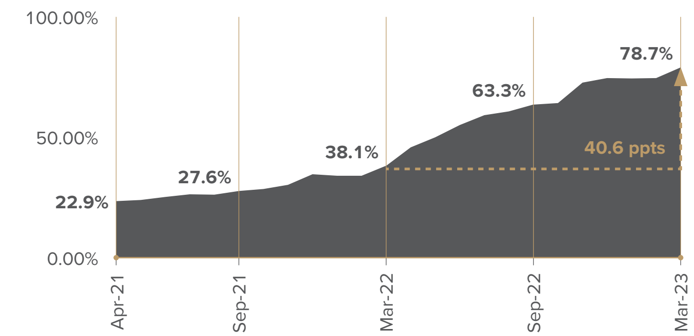
- Aircraft certification
- Technical ramp handling services
- Scheduled light checks
- Cabin maintenance services and parts fabrication
- Cabin disinfection and cleaning services
- Specialised Quick Action Team for aircraft-on-ground (AOG) recovery and engine changes

BUSINESS REVIEW

Flights Handled at Changi Airport (Number)



Flight Recovery (% of pre-COVID-19 levels)

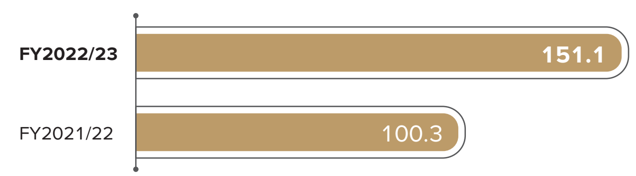


At Line Maintenance Singapore, we handled 105,139 flights in FY2022/23, which was more than double the 47,885 flights handled the prior year. This workload represented a recovery to approximately 65% of pre-pandemic levels, 40.6% percentage points up from March 2022. The workload in March 2023 was about 78.7% of pre-pandemic level.

Line Maintenance Singapore, which also benefitted from Transformation-led productivity improvements, renewed contracts with 13 airlines and added 10 new ones, while Line Maintenance International added nine new contracts. As of end FY2022/23, the Group's international line maintenance network covered 30 airports across seven countries. We had announced plans to acquire a 49% stake in Pos Aviation Engineering Services in Malaysia. When the transaction is completed, the Group's international network for line maintenance will expand to 40 airports across eight countries.

ENGINE AND COMPONENT

Engine and Component Revenue ($M)



Our Engine Services Division was established in FY2021/22 to enhance the Group's integration into the engine MRO value chain; strengthen its engine services ecosystem; and increase its value to OEM partners and airline customers. Services include engine maintenance, storage and preservation, material management, on-wing services and engine testing.

Our AES facility in Singapore, which opened its doors in February 2022, completed its first LEAP engine Quick Turn for Safran Aircraft Engines in FY2022/23. Capacity continued to ramp up in FY2022/23 with AES progressively increasing engine inductions.

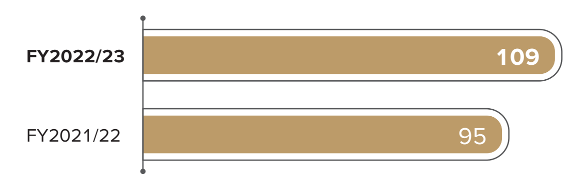
New capabilities were also added during the year. On-wing services for the Rolls-Royce Trent engines were augmented to include repair capabilities for boroblending and fan blade reprofiling, while engine test capability was expanded to include LEAP-1A testing. Currently, AES holds 10 approval certificates from various National Aviation Authorities. With recovery picking up pace, our Engine Services unit is working with partners to further expand capacity and capability.

AES is custom-designed to perform at least 60 Quick Turns per year, with additional capacity to cope with surges in demand. SIAEC aims to leverage this Lean-enabled facility to meet the growing market demand for engine Quick Turn maintenance to minimise engine time off-wing, which then optimises both engine availability and reliability on-wing.

Our Component Services Division was set up in FY2022/23 to broaden the Group's repair capabilities for new-generation aircraft and to complement our extensive network of component joint venture companies with OEMs. All existing component repair and fleet management services within SIAEC, including inventory technical management services, were consolidated under Component Services Division.

In FY2022/23, work volume increased at the Group's network of component shops as flight activities ramped up, while new components services capabilities were acquired through partnerships.

Number of Aircraft Managed



During the year, an Inventory Technical Management (ITM) programme for a fleet of A320 aircraft operated by MYAirline, a low-cost airline based at Kuala Lumpur International Airport, was secured. Under the programme, SIAEC will provide on-site consignment of aircraft and engine spares, pooling support services as well as repair and overhaul support services to MYAirline. The agreement has a term of 10 years, with an option to extend it for a further two years.

At the end of FY2022/23, the total fleet under management increased to 109 aircraft with 10 airlines, up from 95 aircraft with nine airlines at end FY2021/22.

Through partnerships with the world's leading engine and component manufacturers, the Group provides a wide spectrum of engine and component MRO services. Amongst the Group's 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.

In Singapore, seven other joint ventures specialise in the repair and overhaul of various components, including airframe composite components, flight control systems, inflight entertainment and communications systems, avionics and electrical components, and landing gears. 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. The Group also participates in the PurePower PW1000G Risk Revenue Sharing Program for the Airbus A220 engine through a wholly-owned subsidiary, NexGen Network (2) Holding.

In May 2022, we acquired a 75% stake in Asia Pacific Aircraft Component Services (APACS) (formerly known as SR Technics Malaysia), expanding our component repair and overhaul capabilities and creating further opportunities for component services business growth. With capabilities for more than 600 part numbers for Airbus and Boeing aircraft, APACS will boost our ability to provide customised and flexible solutions to cater to the needs of airline customers and OEM partners. Our component repair capability was further expanded through a 10-year licensing agreement with Honeywell for the repair of the Air Data Inertial Reference Unit on Boeing 737 and 787 aircraft, which will be performed at APACS.

In FY2022/23, operations at our 49%-owned fleet management services joint venture company, Boeing Asia Pacific Aviation Services, ceased by mutual agreement of the shareholders, due to challenges arising from the changing business environment.

Fleet Management Services

The Fleet Management business comprises seamless solutions in Fleet Technical Management (FTM) and ITM for 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, on-site 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

BUSINESS REVIEW

SUBSIDIARIES, JOINT VENTURES AND STRATEGIC PARTNERSHIPS

Airframe and Line Maintenance

SIA Engineering (USA)
United States 100%

SIA Engineering Japan Corporation
Japan 100%

PT JAS Aero-Engineering Services
Indonesia 49%

Southern Airports Aircraft Maintenance Services
Vietnam 49%

Pan Asia Pacific Aviation Services
Hong Kong 40%

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

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

SIA Engineering (Philippines) Corporation
Philippines 100%

Singapore Aero Support Services (SASS)
Singapore 100%

Heavy Maintenance Singapore Services
Singapore 100%
(dormant)

Boeing Asia Pacific Aviation Services
Singapore 49%
(ceased operations)

Engine and Component

Singapore Aero Engine Services
Singapore 50%

GE Aviation, Overhaul Services – Singapore
Singapore 49%

Eagle Services Asia
Singapore 49%

Component Aerospace Singapore
Singapore 46.4%

Turbine Coating Services
Singapore 24.5%

Fuel Accessory Service Technologies
Singapore 49%

Goodrich Aerostructures Service Center-Asia
Singapore 40%

JAMCO Aero Design & Engineering
Singapore 45%

Asia Pacific Aircraft Component Services
(formerly known as SR Technics Malaysia) Malaysia 75%

Additive Flight Solutions
Singapore 60%

Aerospace Component Engineering Services
Singapore 51%

Moog Aircraft Services Asia
Singapore 49%

Panasonic Avionics Services Singapore
Singapore 42.5%

Safran Electronics & Defense Services Asia
Singapore 40%

Safran Landing Systems Services Singapore
Singapore 40%

Investment Holding

NexGen Network (1) Holding
Singapore 100%
(in Member's Voluntary Winding Up)

NexGen Network (2) Holding
Singapore 100%

JV Partners:

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

BUSINESS REVIEW

UPHOLDING A CULTURE OF SAFETY

SIAEC places utmost importance on safety in all aspects of its business and operations. This commitment is evident from our involvement in workplace safety programmes and events. In anticipation of the aviation industry's recovery, SIAEC has significantly amplified its efforts to ensure it is fully prepared to provide safe and reliable support.

SIAEC is a proud signatory to the "Charter for a Strong and Positive Safety Culture in Singapore" initiated by the Civil Aviation Authority of Singapore.

At our Aviation Safety Promotion Centre, all employees receive instructor-led training to reinforce aviation safety awareness. The content is continually refreshed, as an integral part of our continuation training initiatives, to ensure that it remains relevant and impactful.

Our Workplace Safety Promotion Centre continues to be a catalyst for cultivating a robust workplace safety culture. By integrating classroom-based lessons, experiential and visual learning strategies, meticulously-curated content, engaging exhibits and up-to-date news media, the centre provides employees with an enriched and comprehensive learning experience.

The annual Safety and Security Week is a platform that serves as a powerful reminder of the paramount importance of aviation and workplace safety. This event also serves as an opportunity to recognise exemplary employees who consistently demonstrate a deep commitment to safety in their work. By honouring their conscientious efforts through awards and citations, SIAEC encourages a collective culture of safety excellence within the organisation. FY2022/23's Safety and Security Week was held in September 2022 with the theme "Forging Ahead Together - Safely and Securely", symbolising SIAEC's resilience and unwavering dedication to safety.

Each year, SIAEC participates in the Airport Safety Awards organised by the Changi Airport Group (CAG), a platform that recognises the safety endeavours of employees and partners within the Singapore airport community. Two individuals and two teams from SIAEC received recognition at the latest event in November 2022, serving as a testament to our commitment to high safety standards.

The Group also actively engages its employees to ensure the continuous enhancement of safe operations. The Innovation Challenge, held annually, is a valuable platform for staff to contribute ideas to improve safety and productivity based on their first-hand experiences. In FY2022/23, a biannual face-to-face Quality Huddle for key stakeholders was also initiated. These Quality Huddles provide a platform for raising

awareness of recent aviation safety incidents, and for sharing and addressing operational issues or concerns.

STEPPING UP SUSTAINABILITY EFFORTS

As a sustainability-focused MRO service provider, SIAEC supports the aviation industry's goal of net zero carbon emissions by 2050. In FY2022/23, we declared our commitment to achieving net zero carbon emission by 2050. During the year, we completed the mapping of the Group's greenhouse gas emission (GHG) inventory and following careful evaluation of abatement opportunities, we set a medium-term target of halving our Scope 1 and 2 carbon emissions by 2030, from the baseline year of FY2019/20.

Plans are underway to adopt energy-efficient equipment and cleaner vehicles across our operations. These include the progressive upgrade of air compressors in our hangars in Singapore, as well as the planned adoption of electric tractors in the operational environment. With 18% of our current electricity needs being fulfilled by existing solar panels, there are plans to expand our use of renewable energy with the installation of additional solar panels.

With the recent certification of hangars 4, 5 and 6, as well as our Engine Test Facility, all SIAEC-owned buildings are now certified as Water Efficient Buildings by the PUB. Two hangars are Certified Green Mark (Platinum, Super Low Energy Building) and we are pursuing similar certifications for the rest of our hangars and buildings.

SIAEC's concerted efforts to step up sustainability practices have shown results with improvements in recent sustainability ratings. Moving forward, we will take further steps to decarbonise our operations whilst enhancing our sustainability disclosures and deepening our engagement with stakeholders.

GROWING COMPONENT SERVICES CAPABILITIES

In April 2022, SIAEC established the Component Services Division, a new business unit within the Company. The division houses all the Company's existing component repair and fleet management services, including in-house workshops and inventory technical management services.

The Component Services unit was set up to tap into the anticipated growth in demand for component MRO as air travel returns to pre-COVID-19 volumes, as well as to complement our extensive network of component joint venture companies with established OEM partners. It will focus on broadening the Group's range of component service offerings to airline customers and deepen its partnerships with OEM partners by acquiring and developing new capabilities. It will also offer customised and flexible solutions to meet the needs of airline customers and OEM partners.

Since the formation of the Component Services unit, SIAEC achieved a significant milestone with the acquisition of a 75% stake in SR Technics Malaysia in May 2022. This component MRO joint venture with SR Technics Switzerland has been renamed Asia Pacific Aircraft Component Services (APACS).

APACS provides testing, repair, and overhaul services covering various Airbus and Boeing aircraft fleet types in the Asia-Pacific region and beyond. The acquisition unlocks synergies with SIAEC's existing component repair and overhaul services, and adds new capabilities for more than 600 different aircraft part numbers to our portfolio.

APACS also serves as an additional platform in Component Services Division's strategic goal to expand our component MRO capabilities. In May 2022, a 10-year MRO licensing rights was secured with Honeywell for the repair capability of Boeing 737 and 787 Air Data Inertial Reference Unit, which will be performed at APACS.

Through the Component Services Division, SIAEC continues to seek opportunities with major OEMs for component repair partnership or licensing for targeted component products.

737 AND 787 AIR DATA INERTIAL REFERENCE UNIT (ADIRU) REPAIRS

SIAEC's 10-year MRO licensing agreement with Honeywell allows SIAEC to carry out repair and overhaul of the Boeing 737 and 787 ADIRU, and includes a parts supply agreement for Honeywell to provide ADIRU piece parts to support the repair. The ADIRU repairs will be performed at SIAEC's subsidiary, APACS.

This new repair capability for a key proprietary component on the 737 and 787 aircraft broadens our component repair service offerings to our customers.

The ADIRU is a critical source of navigational data for the pilot. It provides inputs including airspeed, angle of attack, altitude and inertial reference information to the pilots' electronic flight instrument displays and other aircraft systems. The inputs from the ADIRU also enable airline operators to reduce operating and maintenance costs.

With the addition of this ADIRU 737 and 787 repair capability, our customers, especially those located in the Asia-Pacific region, will benefit from lower costs as well as faster repair turnaround time.

▶ *ADIRU HG2050BC04*

▶ *An SIAEC senior technician securing a 787 Electrical Brake onto the test fixture to prepare for functional tests*

▶ *An APACS technician analysing test results from the Hydraulic Control Unit test stand*

▶ *APACS's 88,000 square feet component workshop located in Selangor, Malaysia*

CONTINUOUS IMPROVEMENT

▶ *Lean Accreditation Presentation*

POWER UP TOWARDS EXCELLENCE THROUGH CONTINUOUS IMPROVEMENT

Amidst keen competition and rapidly evolving technology, SIAEC first embarked on its Transformation Journey in 2017 to enhance our competitive edge and solidify our position as a leading MRO service provider in Asia Pacific. Since then, we have made significant progress through the systematic implementation of transformation initiatives.

When the COVID-19 pandemic erupted, there was a substantial and sharp decline in flights which impacted the MRO industry and our business. Capitalising on this lull, we officially launched Phase 2 of our Transformation in 2021 to enhance our organisational capabilities, generate value for key stakeholders and boost our competitiveness. These objectives were successfully met with the completion of over 150 initiatives in the areas of Lean, Digital and Technology over the past two years, which has led to improved efficiency and productivity.

Deepening Lean Maturity

In FY2022/23, one of the key initiatives to deepen Lean maturity was the introduction of a comprehensive Lean Accreditation Framework. This in-house framework was designed to assess and enhance the Lean culture and practices of our teams across the divisions, serving as a holistic and structured approach for continuous improvement. Through operationalising the Lean Accreditation Framework, internal benchmarks enabled our teams to gauge their progress and identify areas for improvement to advance the operating system. In FY2022/23, six teams attained the qualifying maturity level.

Recognising the importance of support functions in the end-to-end value stream, we have also broadened the implementation of Lean beyond operational units. Through the implementation of Lean in the workflow of tooling and materials preparations, we have seen added efficiency and improved staff experience.

We have also enhanced our Lean Competency Framework with an emphasis on practical skills, including project management, change management and stakeholder management. The customised programme has provided the opportunities for all staff to strengthen and leverage their Lean competencies, ensuring that they are well-equipped to lead and participate in Lean initiatives within the Company.


▶ *In-house Lean Training*

CONTINUOUS IMPROVEMENT

Advancing on Digitalisation and Technology

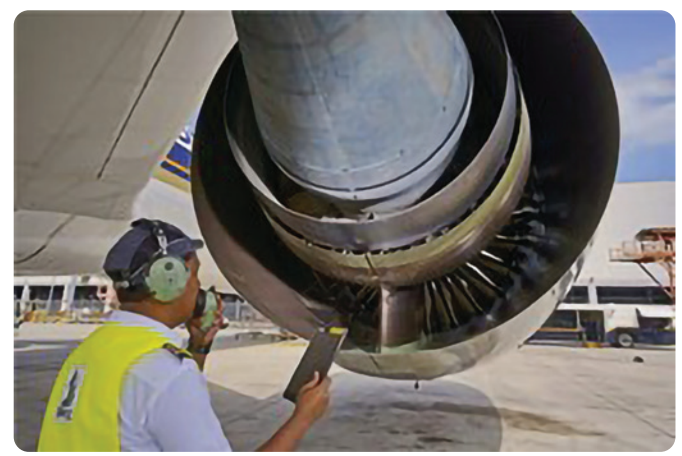
Digitalisation and Technology are core components of our Transformation programme and as such, we have continuously improved and refined our digital and technology strategy to achieve the desired business outcomes. Guided by this strategy, we have executed the roadmap to deliver digital products, strengthen foundations, enhance the ecosystem and experiment with technological trials.

Delivering Digital Capabilities

Digitalisation of the maintenance task planning and execution processes has enhanced operational efficiency and workforce mobility in our Base Maintenance and Line Maintenance operations by reimagining workflow and processes. This has brought about better transparency and collaboration in planning, operations execution and service delivery to our customers.

Leveraging digitalisation foundations, data is utilised to develop optimisation and decision support capabilities to increase revenue and reduce costs. For instance, the scheduling process for Base Maintenance aircraft checks is being optimised based on availability and historical revenue data. The usage of data in optimisation tools for inventory management has allowed dynamic materials planning based on forecasted demand.

Overall, better command and control, decision support, prioritisation of tasks have been achieved through leveraging of data analytics.


▶ *Digital Taskcard in Line Maintenance*

Enabling Digital Enterprise

SIAEC will continue to strengthen our digital and technology foundation to support our commitment towards enhancing operational excellence, increasing customer intimacy, incorporating innovation into services and providing total employee experience. Not only do digitalisation, automation, and data analytics increase transparency, they also help to accelerate the culture of continuous improvement company wide.

SIAEC has embarked on a multi-year journey to upgrade our Enterprise Resource Planning system, which brings streamlined processes and data-driven planning capabilities to further support decision-making and end-to-end collaboration with our customers and suppliers. We will continue to build on our cyber resilience through a holistic programme of technology investment, staff training and business process review.

Transforming Staff Experience

Creating an empowered and productive workforce is essential to transforming the total employee experience. At SIAEC, measurable and outcome-driven processes are being enabled by technologies to provide visibility and feedback on the value impact of their work. Underlining this, the thousands of hours saved for staff and customers clearly demonstrate our achievements in productivity gains and better decision-making on the ground.

Fostering the culture of innovation is another focus in this area. Various initiatives and campaigns, such as Staff-Ideas-in-Action, SIAEC Innovation Week, Data Challenge, and Innovation Challenge, were organised to stimulate ground-up innovations. Over the past year, SIAEC has seen significant increases in idea submission, evaluation, and implementation. We have also started introducing ASCEND, a SIA Group in-house training programme, to our staff to promote best practices in user empathy, agile solution and implementation.

Creating Tech-enabled Workspace

In the past year, we have successfully implemented several technology initiatives in our operational divisions, which include seat track inspection and robotic engine inspection robots. Looking ahead, we have initiated collaborations to further accelerate technology development and adoption in the fields of assistive robotics and machine vision to make work smarter, safer and more efficient.


▶ *Seat Track Inspection Robot*


▶ *Robotic Engine Inspection*

CONTINUOUS IMPROVEMENT

We highly value and acknowledge the contributions of our staff who strive to improve their work processes. Encouraging innovative ideas to enhance our standard tools and equipment remains a key focus area for continuous improvement. We have established avenues for staff to submit and explore their ideas through our dedicated ideation platform. These ideas undergo evaluation by a cross-functional team, followed by trials, approval, and internal communications for operational implementation. To further facilitate idea development, the Line Maintenance Division has created a physical prototyping workspace known as the "Launchbay Lab" where innovators among us can refine and iterate concepts. Looking ahead, we have plans to expand the reach of Launchbay Labs to other operational divisions. Several ground-up ideas have already come to fruition, including the development of assistive tools for engine change and aircraft painting.

Sharing with the community

In conjunction with "Raikan Ilmu" (Celebrating Knowledge) month, SIAEC organised a sharing session in October 2022, during which we had the privilege of hosting MENDAKI. This insightful session served as a platform to deepen the participants' understanding of key areas including Aviation Safety, Operational Excellence, and Innovation within the aerospace industry. The engaging discussions and exchange of ideas not only enhanced their knowledge but also sparked a growing interest in aerospace among the participants, paving the way for future exploration and collaboration.

Expanding our horizons

Besides strengthening our efforts internally in the areas of Digitalisation, Lean and Technology, we continue to expand our horizons through collaboration and learning with industry partners who include various technological solution providers and airlines.

By leveraging these technologies in the form of assistive, automated and autonomous applications, we aim to enhance our work processes, and improve safety, efficiency and productivity for staff. Additionally, we have conducted visits to industry partners and airlines to learn about their latest innovative solutions and technologies, as well as to gain insights into their experiences in continuous innovation and improvement.

THE NEXT JOURNEY – CONTINUOUS IMPROVEMENT

With the conclusion of the Transformation Phase 2 programme in FY2022/23, our success has encouraged us to continue deepening and broadening the toolkits of Lean, Digital and Technology. To fully harness the benefits of these initiatives, we will strengthen our efforts to unlock the potential of our staff, who serve as the core asset of our organisation, through a culture of continuous improvement.

A launch ceremony was held on 29 May 2023 to celebrate the success of our Transformation Phase 2 achievements and to mark the beginning of our Continuous Improvement Journey. The event was graced by the presence of Mr S Iswaran, the Minister for Transport and Minister-in-charge of Trade Relations.

Moving forward in our Continuous Improvement Journey, we will integrate Lean and Digitalisation into a harmonised enterprise operating system. Additionally, we will support our staff with continuous upskilling and inculcate a continuous improvement mindset and habits to unlock their potential. Rallying behind the tagline of "Power Up Towards Excellence", we aim to imbue the spirit of Continuous Improvement in our corporate DNA and define SIAEC's work culture.

A sustainable culture of continuous Improvement will be driven from the ground up, where leaders will promote collaboration and adopt a "test & learn" concept. Staff will be empowered to take the initiative and seek out solutions in their daily work, while continuously looking for opportunities to learn and grow. To prepare for these upcoming changes, a culture change framework has been established, and a comprehensive programme will be implemented to support and reinforce this framework.

▶ *Launch of SIAEC Continuous Improvement Journey*

CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors (the "Board") and Management of SIA Engineering Company Limited (the "Company" or "SIAEC", 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 2023 ("FY2022/23") 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, digital transformations and Lean initiatives 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 Nominating Committee, the Compensation & HR Committee, the Board Safety & Risk Committee, the Executive Committee, the Technology Advisory Committee and the Board Sustainability Committee (established in 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 such as the recent expansion of each Board committee's scope to include sustainability matters under its purview. 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, the Nominating Committee and the Board Sustainability 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.

BOARD COMPOSITION (AS AT 31 MARCH 2023)

THE BOARD

CHAIRMAN	*Composition*
TANG KIN FEI	7 Independent Directors 4 Non-Independent Directors

Key Responsibilities
Responsible for strategy, operations and governance and oversees the Company's Transformation programme (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	*Composition*
CHUA BIN HWEE *(from 1 May 2022)* CHEW TECK SOON *(until 30 April 2022)*	5 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	*Composition*
TANG KIN FEI *(from 1 January 2023)* CHRISTINA HON KWEE FONG (CHRISTINA ONG) *(until 31 December 2022)*	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	*Composition*
TANG KIN FEI	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	*Composition*
LIM KONG PUAY	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 ensure that Management maintains a sound system of risk management to safeguard the interests of the Group and the Company's shareholders.

EXECUTIVE COMMITTEE

CHAIRMAN	*Composition*
TANG KIN FEI	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	*Composition*
DR RAJ THAMPURAN	2 Independent Directors 1 Non-Independent Director 5 External Members

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

BOARD SUSTAINABILITY COMMITTEE (Established on 19 April 2022)

CHAIRMAN	*Composition*
LIM KONG PUAY *(from 1 January 2023)* CHRISTINA HON KWEE FONG (CHRISTINA ONG) *(until 31 December 2022)*	3 Independent Directors 1 Non-Independent Director Chief Sustainability Officer

Key Responsibilities
To assist the Board in overseeing sustainability matters, by accelerating, leading and guiding the Group's sustainability efforts.

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 Partnership Management & Business Development
SVP Line Maintenance	SVP Finance/CFO
SVP Base Maintenance	Chief Commercial Officer
SVP Engine Services	SVP Corporate Planning & Continuous Improvement
SVP Component Services	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.

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, contains the following key principles:

- Directors shall comply with applicable laws and regulations, policies and guidelines, and shall also satisfy themselves that appropriate guidelines and policies are in place for compliance by employees, officers and other Directors;
- Directors must act honestly, in good faith and in the best interest(s) of the Company, without allowing themselves to be influenced by personal interests or relationships;
- Directors must respect the obligation of confidentiality for all information received in the course of their duties and continue to be bound by this obligation after termination of their mandate and/or appointment; and
- Directors must refrain from overstepping the powers conferred upon them and make use of the Company's name and resources only in the interest(s) of the Company.

In addition, 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 to ensure relevance, 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; the Company's key policies and 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 SGX-ST, 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 in 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.

During FY2022/23, the Directors attended training and development programmes or were briefed by external consultants on subjects that included:

- Sustainability Programme for Directors in Singapore;
- Environmental, Social and Governance Essentials;
- Aviation Safety;
- Higher Education and Skills;
- Cybersecurity;
- Corporate Governance;
- Climate & Sustainability: Strategy Implication and Board & Management Responsibilities;
- SFRS Insurance Contracts;
- Considerations in Adopting a Responsible Investment Strategy;
- Impact of Geopolitical Events;
- China's Competitiveness and Challenge;
- Investment Outlook and Asset Allocation in an Inflationary Environment; and
- Directors in a 4D world: Digital, Decentralised, Decarbonised, Diverse (ESG).

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

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 and Continuous Improvement, 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. As COVID-19 restrictions eased in Singapore, the Board and Board committees resumed meetings in person for most of the meetings. At times, the meetings were held virtually on a secure video conferencing platform.

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 FY2022/23, nine Board meetings were convened including four ad hoc Board meetings. As a measure of good governance, all resolutions on significant matters approved in FY2022/23 were discussed and passed at physical Board meetings instead of circulating resolutions, to enable a robust discussion among the Directors and Management on the relevant subject matter. In addition, the Board also reviewed all approved circulating resolutions at physical Board meetings. A significant amount of time was spent regularly reviewing the scaling up of operations to support the ramp up in recovery of flight activities, manpower matters, supply chain issues, the maintenance of fair values of assets, the conservation of cash to maintain liquidity, the strengthening of MRO capabilities, the acceleration of Transformation and Continuous Improvement and Lean initiatives, digitalisation and automation, sustainability and climate-related strategy and the strategic investments for growth to ensure 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 FY2022/23, the Board participated in the annual strategy meeting, which was held off-site. Aerospace industry experts were invited for panel discussions with Directors on MRO industry trends and

CORPORATE GOVERNANCE

developments, and the impact on the Company. 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 changing MRO landscape, strengthen engineering capabilities and human capital, as well as the framework for the Company to transition to Continuous Improvement upon the conclusion of its Transformation Phase 2 programme.

The attendance of each Director at Board meetings, Board committee meetings and the Annual General Meeting ("AGM") held during FY2022/23 is as follows:

		Board		Audit Committee		Nominating Committee		Compensation & HR Committee		Board Safety & Risk Committee		Executive Committee		Technology Advisory Committee		Board Sustainability Committee[ii]		AGM
Name	Status (as at 31 Mar 2023)	Position	Att.[i]	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	9/9			Chairman (from 1 Jan 2023, member until 31 Dec 2022)	2/2	Chairman	4/4			Chairman	3/3					1/1
Goh Choon Phong (last re-appointed on 21 Jul 2022, first appointed on 1 Jan 2011)	Non-Executive / Non-Independent	Member	9/9					Member	4/4			Member	3/3					1/1
Ng Chin Hwee[iii] (last re-appointed on 23 Jul 2021, first appointed on 18 Jul 2008)	Executive / Non-Independent	Member	9/9									Member	3/3	Member	2/2	Member	3/3	1/1
Raj Thampuran (last re-appointed on 21 Jul 2022, first appointed on 1 Sep 2016)	Non-Executive / Independent	Member	8/9	Member	4/4					Member	3/4			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	8/9					Member	3/4	Member	4/4							1/1
Chin Yau Seng (last re-appointed on 21 Jul 2022, first appointed on 8 Oct 2018)	Non-Executive / Non-Independent	Member	9/9	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	9/9			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	9/9	Chairman (from 1 May 2022, member until 30 Apr 2022)	4/4							Member (from 1 May 2022)	2/2			Member	3/3	1/1
Lim Kong Puay (last re-appointed on 21 Jul 2022, first appointed on 1 Aug 2021)	Non-Executive / Independent	Member	9/9	Member (from 1 May 2022)	3/3					Chairman	4/4					Chairman (from 1 Jan 2023, member until 31 Dec 2022)	3/3	1/1
Chong Chuan Neo (first appointed on 1 Oct 2022)	Non-Executive / Independent	Member	4/4	Member (from 1 Nov 2022	1/1	Member (from 1 Nov 2022)	1/1							Member (from 1 Nov 2022)	1/1			–
Tan Tze Gay (first appointed on 28 Oct 2022)	Non-Executive / Independent	Member	2/2	Member (from 1 Nov 2022)	1/1											Member (from 1 Nov 2022)	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	–	Chairman	1/1	Member	1/1					Member	1/1					–
Christina Hon Kwee Fong (Christina Ong) (last re-appointed on 23 Jul 2021, first appointed on 1 Jan 2014, stepped down as Director and relinquished all committee appointments on 1 Jan 2023)	Non-Executive / Independent	Member	8/8	Member	3/3	Chairman	2/2									Chairman	2/2	1/1
Total Number of Meetings Held in FY2022/23			9		4		3		4		4		3		2		3	1

Notes:
(i) "Att." refers to the number of Board and Board committee meetings attended by the respective Directors for the period served in FY2022/23.
(ii) The Board Sustainability Committee was established on 19 April 2022.
(iii) 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. Other updates, 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 informed of investors' perceptions and concerns, updates on analysts' consensus estimates and questions raised at analysts' briefings are circulated for discussion 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. This initiative also enhances information security as the papers are accessed via an encrypted channel. Terms of References, training materials, regular updates and the Directors' Manual are also uploaded on the secure platform for Directors' easy access.

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, who is legally trained and whose appointment and cessation of appointment are subject to approval of the Board as a whole, attends all Board meetings. In addition to corporate secretarial administration matters, her duties 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 SGX-ST, and the Accounting and Corporate Regulatory Authority;

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

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

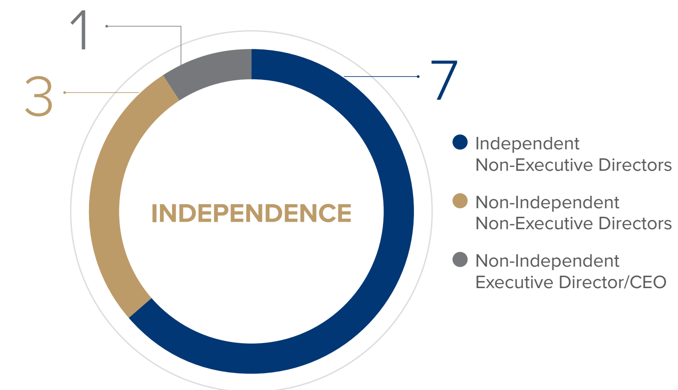
The Company has established written procedures to ensure compliance with legislative and regulatory requirements, including the Listing Manual.

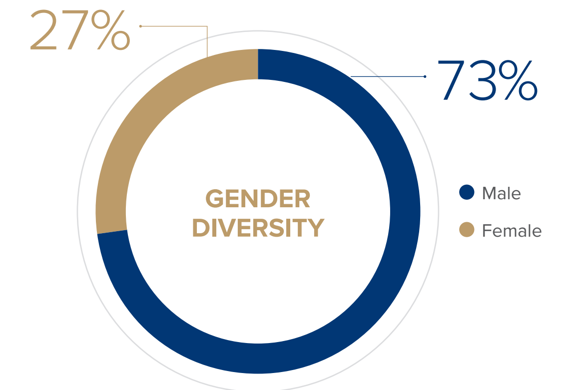
BOARD COMPOSITION AND GUIDANCE

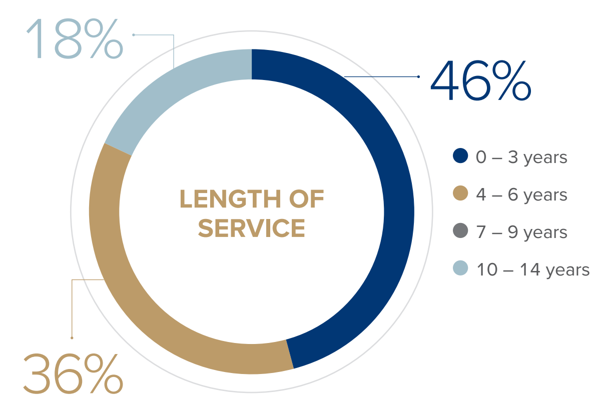
Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

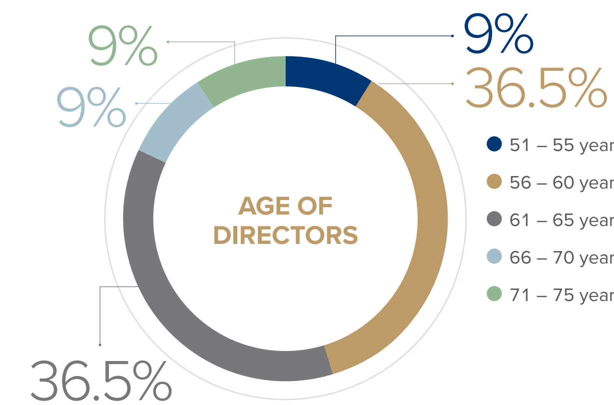
Independent Directors Make Up a Majority of the Board

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. Under the Listing Manual, a Director will not be independent if he/she is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years; or if he/she has an immediate family member who is employed or has been employed by the Company or any of it related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the Compensation & HR Committee; or if he/she has been a Director of the Company for an aggregate period of more than nine years. 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.









As at 31 March 2023, the Board consisted of 11 Directors of whom 10 were Non-Executive Directors, and seven were Independent Directors. The Chairman of the Board ("Chairman"), Mr Tang Kin Fei, is an Independent Director, and 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, respectively, 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 Independent Directors and their immediate family members have no relationships 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 Directors' independent business judgment in the best interests of the Company. 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.

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, the Code and, where relevant, its Practice Guidance.

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

DIRECTORS' EXPERTISE AND EXPERIENCE

DIRECTORS' EXPERTISE AND EXPERIENCE BY GEOGRAPHY

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 FY2022/23, none of the Independent Directors has served for an aggregate period of more than nine years.

The Chairman meets the Independent Directors regularly without the presence of Management, the CEO and the Non-Independent Directors and at least twice a year. 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 CEO of the Company, Mr Ng Chin Hwee is considered non-independent. Mr Chin Yau Seng, who assumed the position of CEO-Designate with effect from 1 June 2023, remains on the Board of SIAEC as a Non-Independent, Executive Director.

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 the aspects of diversity described in the Board Diversity Policy including skillsets, knowledge, 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, qualification, 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 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 aspect of diversity. The Board views diversity as important 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, and to help the Company build business resilience while making a difference. A diverse Board can also offer a cognitive diversity of perspectives in addressing a range of issues from strategy to corporate governance to addressing social and environmental stewardship and ensuring sustainable growth. To this end, the Company has maintained its Board Diversity Policy and has set targets to achieve 30% female Board representation by 2030; and to identify and appoint director(s) with the relevant expertise and experience that would complement those already on the Board to broaden the skill sets of the Board.

The Company believes that ensuring an optimum balance of gender representation on the Board would be beneficial as there is access to a larger talent pool and assurance of diverse perspectives and experiences that could augment strategic thinking and problem solving. The appointments of Ms Chong Chuan Neo and Ms Tan Tze Gay on 1 October 2022 and

28 October 2022, respectively, have enhanced gender diversity on the Board. Their appointments have also enhanced the Board's diversity in skills and experience, especially in the areas of technology and digital transformation, robotics and data analytics, equity and debt capital markets and corporate regulatory and compliance.

Directors with different geographical exposures and expertise provide insights into cultural nuances and differences for the Company's effective navigation of challenges and opportunities that arise with overseas business growth and international talent management. As at 31 March 2023, the Directors, as a group, has varied geographical expertise and experience. In particular, a majority of the Directors have significant experience in the various geographical regions as illustrated on page 36 of this Annual Report.

In line with the Board Diversity Policy, the Board composition in FY2022/23 reflects the Company's commitment to Board diversity, especially in terms of diversity in gender, skills, 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.

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 amongst 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:	Ms Christina Hon Kwee Fong (Mrs Christina Ong) *(until 31 December 2022)*
	Mr Tang Kin Fei *(from 1 January 2023)*
Members:	Mr Mak Swee Wah
	Mr Chew Teck Soon *(until 30 April 2022)*
	Ms Chong Chuan Neo *(from 1 November 2022)*

Mr Chew Teck Soon stepped down as a member of Nominating Committee upon his retirement as Director on 1 May 2022. Ms Chong was appointed as a member of the Nominating Committee with effect from 1 November 2022. Ms Christina Hon Kwee Fong (Mrs Christina Ong) stepped down as Chairman of the Nominating Committee upon her retirement as Director on 1 January 2023, with Mr Tang Kin Fei succeeding her as Chairman on the same date. Mr Tang had been a member of the Nominating Committee since 1 May 2022 prior to his appointment as Chairman on 1 January 2023.

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.

Each member of the Nominating Committee abstains from voting on any resolution in respect of the matter in which he/she has an interest.

Annual Assessment of Independence

The Nominating Committee reviews the 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. More information on the annual assessment of Directors' independence is set out in the "Continuous Review of Directors' Independence" section on page 35 of this Annual Report.

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, experience and diversity 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, which leads the process, may seek assistance from external search providers to identify a broader range of suitable candidates and 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. In making its recommendation, the Nominating Committee also gives due regard to the Board Diversity Policy adopted by the Board.

In FY2022/23, the Nominating Committee recommended the appointments of Ms Chong Chuan Neo and Ms Tan Tze Gay as Directors with effect from 1 October 2022 and 28 October 2022, respectively. Neither of them had previously served

on the board of companies with adverse track records, or a history of irregularities, nor have they been under investigation by professional associations or regulatory authorities.

Ms Chong had spent 29 years at Accenture where she held senior leadership roles covering various industries and countries in Asia. She was the Chairman and Country Managing Director of Accenture Greater China from 2015 to 2018, during which she was responsible for strategic planning and execution, growth and profitability, leadership development, corporate governance, risk management and client satisfaction. Prior to that, she also managed Accenture's Asia Pacific Consumer, Industrial, Travel & Transport business and the Global Transport (Air, Land, Sea), Travel, Hospitality and Infrastructure business. Her experience extends to areas such as technology and digital transformation, efficiency improvement and cost management leveraging software, robotics and data analytics. Ms Chong has prior experience as a Director of two other listed companies. After a review of Ms Chong's qualifications and experience, her appointment was approved by the Board as it would enhance the core competencies and diversity of skills of the current Board, support the Board's oversight of transformation efforts and improve the female representation on the Board. Ms Chong is considered an Independent and Non-Executive Director.

Ms Tan is a Partner and the Head of Equity Capital Markets at Allen & Gledhill LLP. Her areas of expertise span equity and debt capital markets and corporate regulatory and compliance. She has extensive experience acting for issuers and underwriters on a wide range of innovative, high value and complex transactions, from initial public offerings and listings on the SGX-ST as well as regional and international exchanges to global debt offerings. She continues to advise listed corporates and business trusts after listing on their follow-on equity offerings, debt offerings, acquisitions and disposals and corporate regulatory and compliance advisory matters. After a review of Ms Tan's qualifications and experience, her appointment was approved by the Board as it would enhance the core competencies and diversity of skills of the current Board, and improve the female representation on the Board. Ms Tan 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 FY2022/23, 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 FY2023/24.

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.

Annually, the Company Secretary will inform the Nominating Committee which Directors are due for retirement at the AGM. The Nominating Committee will then review the composition of the Board and decide whether to recommend to the Board the re-election of these retiring Directors, after taking into account factors such as their experience, expertise, competence, attendance, preparedness, participation and candour at Board and Board committee meetings.

At the 41st AGM to be held on 20 July 2023, Mr Tang Kin Fei, Mr Wee Siew Kim and Mr Mak Swee Wah will retire under Article 90 of the Constitution. Ms Chong Chuan Neo and Ms Tan Tze Gay will retire under Article 96 of the Constitution. The profiles of Mr Tang, Mr Wee, Mr Mak, Ms Chong and Ms Tan 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 210 to 219 of this Annual Report.

Having assessed their respective contributions, the Nominating Committee and the Board recommend the re-election of Mr Tang, Mr Wee, Mr Mak, Ms Chong and Ms Tan, all of whom, being eligible, have offered themselves for re-election.

Nominating Committee's Activities During the Financial Year

During FY2022/23, 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 to the Board the Board Diversity Policy which addresses gender, skills and experience and the diversity targets, plans and timelines;

(c) reviewed proposed revisions to the Terms of Reference of the Nominating Committee and of the Board for greater clarity on sustainability issues under its respective purview;

(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 to the Board the appointment of Ms Chong Chuan Neo and Ms Tan Tze Gay as Non-Executive and Independent Directors with effect from 1 October 2022 and 28 October 2022, respectively;

(f) recommended to the Board: (i) the appointment of Ms Chong Chuan Neo as a member of the Audit Committee, the Nominating Committee and the Technology Advisory Committee with effect from 1 November 2022; (ii) the appointment of Ms Tan Tze Gay as a member of the Audit Committee and the Board Sustainability Committee with effect from 1 November 2022; (iii) the appointment of Mr Tang Kin Fei as Chairman of the Nominating Committee with effect from 1 January 2023; and (iv) the appointment of Mr Lim Kong Puay as Chairman of the Board Sustainability Committee with effect from 1 January 2023;

(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 37 of this Annual Report), the appointment of a Lead Independent Director was not necessary for the time being;

(i) considered and recommended the relevant 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 appointment of an external consulting firm, 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 qualitative 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 Aon Solutions Singapore Pte Ltd, an external global organisational consulting firm, which has no connection with the Company or any of its Directors.

In FY2022/23, the qualitative assessment was designed to measure, with the use of a questionnaire, the overall performance of the Board and the Board committees. The questionnaire was tailored for the Company and includes evaluation factors such as Board composition; Board processes; sustainability matters; management of strategy and the Company's performance; CEO performance management

and succession planning; Directors' professional training and development; risk management and internal controls as well as overall perceptions. The questionnaire also incorporated a peer assessment of individual performance. The Nominating Committee 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 21st year of evaluating Board performance. The Company Secretary assisted the Nominating Committee in the evaluation process. For FY2022/23, the external consultants concluded that the Board has met or exceeded its expectations in all evaluation categories. Overall, Directors noted that the Board had maintained high-quality and effectiveness in its governance role and agility in anticipating and shaping the Company's future. Directors will continue to maintain a culture of passion, commitment and strong work ethic to support Management and the business; with the Chairman maintaining the Board's culture of trust, collegiality, mutual respect and collaboration.

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;
- the engagement of consultants and/or advisors with respect to remuneration matters; and
- disclosure on remuneration matters in the Company's Annual Report.

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 FY2022/23, Carrots Consulting Pte Ltd was engaged to provide such services. 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 FY2022/23, the Compensation & HR Committee held four meetings, and also undertook, inter alia, the following matters:

(a) conducted a review of the FY2021/22 RSP performance to-date;

(b) conducted a review of the FY2019/20, FY2020/21 and FY2021/22 PSP performance to-date;

(c) determined the allotment for the 17th RSP and PSP grants for FY2022/23;

(d) reviewed the payouts under the EBIP and STIP for FY2021/22;

(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 FY2022/23;

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

(i) reviewed the performance and salary review exercise for managerial staff;

(j) reviewed and endorsed the 2023 Succession Development Plan for the Company;

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

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

(m) reviewed the Company's Industrial Relations Report for 2022;

(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 FY2022/23, the Company's Remuneration Policies for Key Executives are based on the following principles:

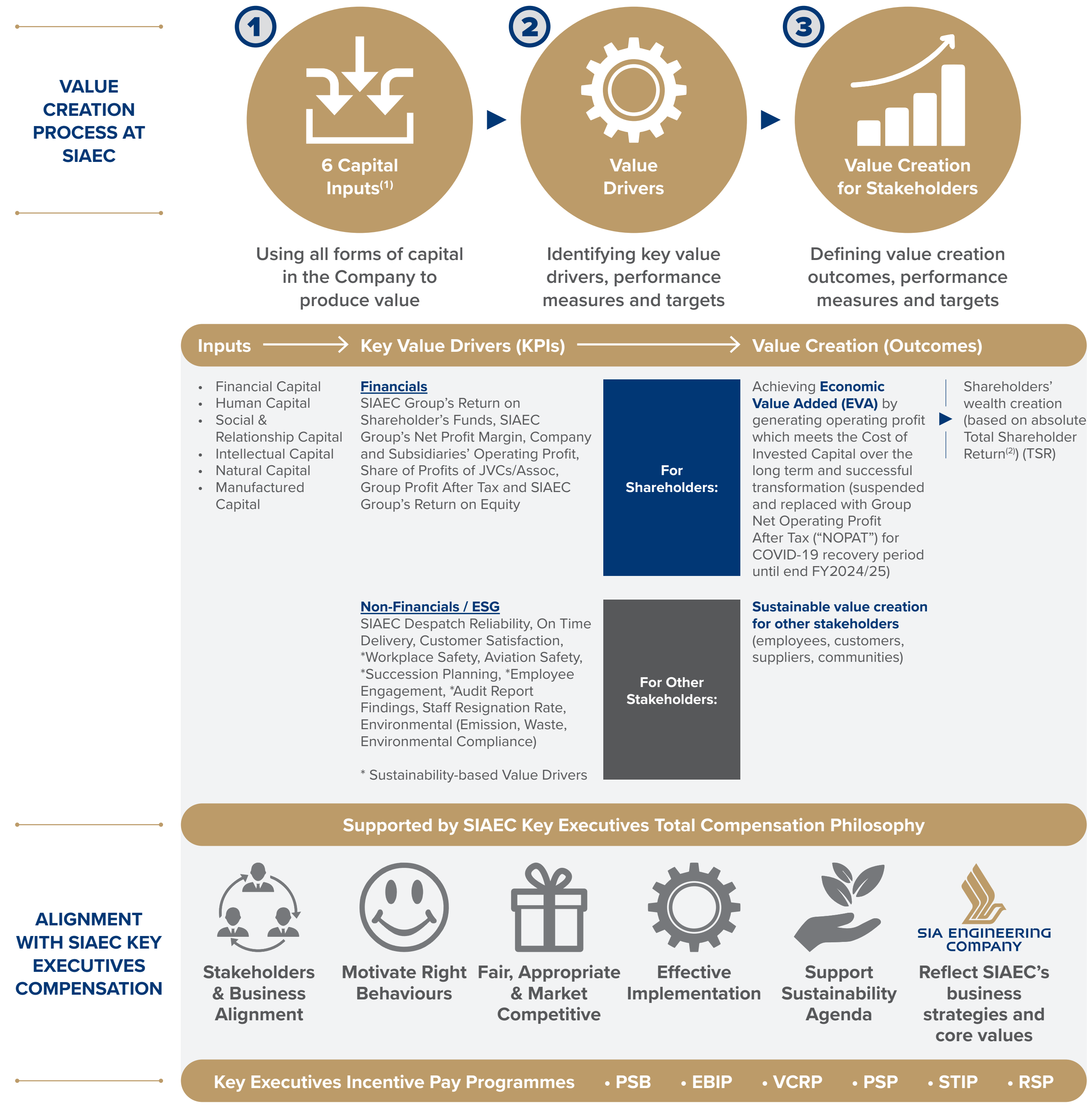
Philosophy	Principles
Shareholder & Business Alignment	• Build sustainable value creation and unlock wealth creation to align with shareholder interests • Enhance retention of Key Executives • Provide sound and structured funding to ensure affordability and cost-effectiveness of compensation system in 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 an 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 FY2022/23.

CORPORATE GOVERNANCE

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 FY2022/23

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 decide on his 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, 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 FY2022/23 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.

CORPORATE GOVERNANCE

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 table below shows the breakdown of the remuneration of the Directors (including the CEO) for FY2022/23. The Non-Executive Directors had waived 25% of their fees for the period April to July 2022 in solidarity with stakeholders and in line with the Company's measures to mitigate the impact of COVID-19. In view of the recovery of international flight activities at Changi Airport, improved business climate as well as cessation of wage cuts of employees and Management, the 25% fee reduction for Non-Executive Directors' was lifted with effect from 1 August 2022.

	Fee ($)	Salary ($)	Bonuses(vi) ($)	Benefits ($)	Shares(vii) ($)	Total ($)
Non-Executive Directors						
Tang Kin Fei	230,438	–	–	–	–	230,438
Goh Choon Phong(i)	101,811	–	–	–	–	101,811
Chew Teck Soon	9,185	–	–	–	–	9,185
Christina Hon Kwee Fong (Christina Ong)	103,230	–	–	–	–	103,230
Raj Thampuran(ii)	132,468	–	–	–	–	132,468
Wee Siew Kim	104,976	–	–	–	–	104,976
Mak Swee Wah(i)	105,476	–	–	–	–	105,476
Chin Yau Seng(i)	114,639	–	–	–	–	114,639
Chua Bin Hwee	134,108	–	–	–	–	134,108
Lim Kong Puay	138,899	–	–	–	–	138,899
Chong Chuan Neo(iii)	60,744	–	–	–	–	60,744
Tan Tze Gay(iv)	47,033	–	–	–	–	47,033
Executive Directors						
Ng Chin Hwee(v)	–	757,380	138,333	101,299	1,236,551	2,233,563

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) Ms Chong Chuan Neo was appointed Director on 1 October 2022.
(iv) Ms Tan Tze Gay was appointed Director on 28 October 2022.
(v) As CEO, Mr Ng Chin Hwee did not receive any Non-Executive Directors' fees.
(vi) Comprises VCRP declared for the financial year.
(vii) Comprises shares awarded under the RSP, PSP and DSA during FY2022/23; the value of awards is based on the fair value of the shares awarded under the RSP ($2.25), PSP ($2.53) and DSA ($2.33). 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 FY2022/23 is part of the FY2021/22 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 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 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 were reduced to 20%, 15% and 10% respectively. The remaining pay cuts were fully restored in August 2022.

Variable Components

1) Profit-Sharing Bonus

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 FY2022/23.

2) Economic Value Added-Based Incentive Plan

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. This suspension has been extended until the end of FY2023/24 by the Board based on the Compensation & HR Committee's recommendation and will be reassessed thereafter based on prevailing market conditions. The remaining balance in each Key Executive's EBIP account at the end of FY2022/23 has been nullified.

3) Value Creation Recovery Plan

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. For FY2022/23, a VCRP payout pool has been generated based on the Group NOPAT performance of SIAEC and allocated by the Board based on recommendation by the Compensation & HR Committee.

4) Strategic Transformational Incentive Plan

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 environmental, social and governance ("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 FY2022/23 STIP will be made in the following financial year and disclosed based on grant date. For EVP(O) and SVPs in respect of the FY2022/23 STIP, a reduced cash portion will be paid with a larger portion settled through the DSA. For the CEO, the FY2022/23 STIP will be fully settled in shares.

5) Deferred Share Award

As part of the FY2021/22 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 with one-third vesting upon grant and the balance one-third per annum vesting over the next two years. The final award will include an additional 20% equity kicker which vests at the end of two 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 2022 as part of FY2021/22 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 financial and 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, one-third 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.

An initial award of FY2022/23 RSP was granted during the financial year under consideration in July 2022. The achievement factor for the RSP award granted in FY2022/23, which commences vesting in July 2023, reflects the extent to which the pre-determined target performance levels were achieved for the one-year performance period of FY2022/23.

An initial award of FY2022/23 PSP was granted during the financial year under consideration in July 2022. The achievement factor for the PSP award granted in FY2021/22 is nil and reflects the extent to which the pre-determined target performance levels were not met for the performance period from FY2020/21 to FY2022/23.

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 92 and 191 to 193 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 has been suspended from FY2021/22 onwards until the recovery of the aerospace industry. The Compensation & HR Committee intends to re-activate this study in the future.

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 Board believes that, taken as a whole, the disclosures provided are meaningful and sufficiently transparent in giving an understanding of remuneration of its Key Executives. For FY2022/23, the Key Executives (who are not Directors or the CEO) are Bernd Riggers, Chua Hock Hai, David So Man Fung, Foo Kean Shuh, Jeremy Yew, Ng Jan Lin Wilin, Ng Lay Pheng, Philip Quek, Stefan Schmuck and Wong Yue Jeen. The summary table of the compensation for the Company's Key Executives (other than the CEO) for FY2022/23, in bands of $250,000, is as follows:

Remuneration Band	Number of employees	Salary (%)	Bonuses(i) (%)	Benefits (%)	Shares(ii) (%)	Total (%)
750,001 – 1,000,000	1	36	23	3	38	100
500,001 – 750,000	8	37	23	2	38	100
0 – 250,000	1	26	42	21	11	100
Total Aggregate Compensation						**$6,451,783**

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 FY2022/23; the value of awards is based on the fair value of the shares awarded under the RSP ($2.25), PSP ($2.53) and DSA ($2.33). 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 FY2022/23 is part of the FY2021/22 STIP.

For FY2022/23, apart from 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 FY2022/23.

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 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. The Company's 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.

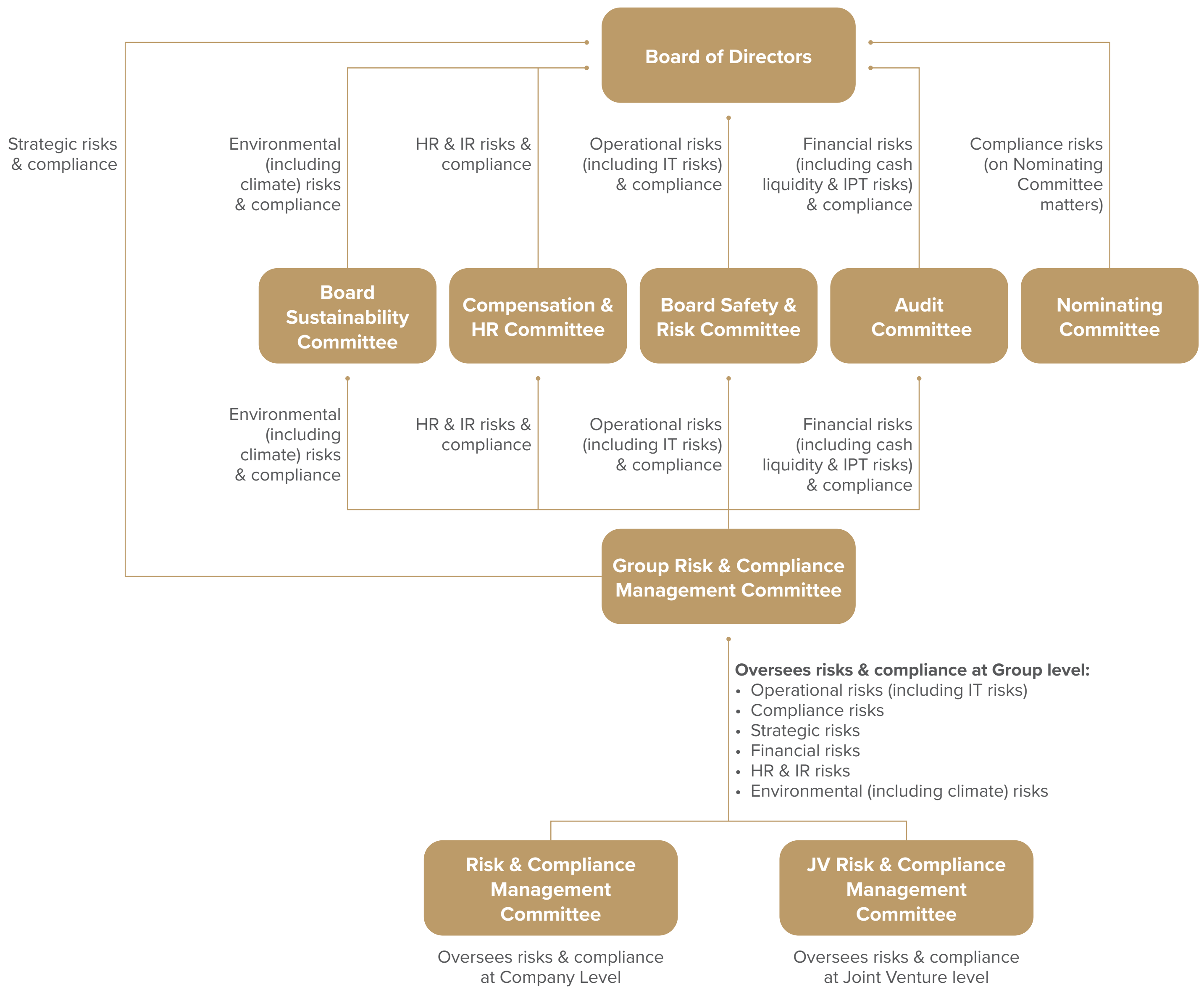
Board's Governance of Risk
The Board has overall responsibility for the governance of risk. The Board, supported by the Board Safety & Risk Committee and the other Board committees, maintains oversight of the key risks of the Group's business. Annually, the Board reviews the adequacy and effectiveness 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.

1 The CEO does not receive any post-retirement travel benefits from SIAEC under the terms of his service agreement.

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



CORPORATE GOVERNANCE

Strategic risks pertaining to the Group's business are overseen directly by the Board. 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 Board Sustainability Committee, which was established in April 2022, oversees environmental (including climate) risks. The Nominating Committee maintains oversight of compliance risks on matters including those relating to nominations to, and membership of, the Board and Board committees and corporate governance matters. 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 Lim Kong Puay
Members: Mr Wee Siew Kim
Dr Raj Thampuran
Mr Mak Swee Wah
Mr Chin Yau Seng

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 advising the Board on 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 these 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, 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. The last independent review of SIAEC's risk management system was conducted in 2022.

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 & Compliance Management 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, human resources and industrial relations risks, and environmental and climate 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

CORPORATE GOVERNANCE

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 in the global economy, rapid geo-political developments, competition in the 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 service provider and stay ahead of its competition, the Company is building upon the foundation from its Transformation phase and transitioning towards Continuous Improvement to continue efforts across key technology areas such as digitalisation and automation, as well as the adoption of Lean methodology in its operations and business processes. Besides improving operational efficiency and productivity, Continuous Improvement aims to create value for 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 throughout the organisation. 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 59 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 ("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. Although Singapore has lowered the Disease Outbreak Response System Condition ("DORSCON") level, the Group continues to maintain vigilance and ensures associated safety risks are monitored and managed accordingly. 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 are 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 29 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 250 physical and desktop audits on the operations of the Company in FY2022/23 to affirm the adherence to operational and safety standards.
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.

Management of Key Risks	
Cyber Security and Information Technology ("IT") Risks	With 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 Company's responses in the event of a cybersecurity incident and an exercise was conducted in FY2022/23 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 Group, IT audits and assessments are conducted on Group companies to ensure compliance with IT controls and where required, follow-up actions to improve standards and resilience.
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 177 to 184 of this Annual Report.

Management of Key Risks	
Human Resources Risks	In a rapidly changing business landscape, businesses need to be agile and responsive to market shifts. A talented and skilled workforce that is equipped with the necessary competencies is critical. 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 remains robust to support business growth and expansion. Through a structured Talent Management Framework, high potential employees with desired leadership qualities and the potential to assume key management positions are identified. This talent pool is reviewed and refreshed annually, and the Company invests in their development through targeted training, mentoring, coaching and on-the-job capability development 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. The Company is equally committed to the development of the workforce through upskilling and reskilling. Keeping pace with the Company's Transformation and Continuous Improvement initiatives, continuing education and training of the workforce ensures all employees are equipped with the right skills and competencies to adapt to new technology and work processes. By investing in a future-ready workforce, the Company ensures that the Group's business remains competitive and at the same time, strengthens employee engagement and retention. Pre-employment training is another area where the Company is committed to nurturing the next generation of talents for the business. The Company collaborates with Institutes of Higher Learning ("IHLs") and has entered into Memorandums of Understanding with seven IHLs, namely the Institute of Technical Education, the Polytechnics in Singapore and the Singapore Institute of Technology, which underscores its commitment in this area. Through internships, attachments, career talks and projects that expose students to real-world challenges, we aspire to build pipelines of talents that are equipped with the necessary skills and knowledge needed in the future. The Company monitors the labour market and reviews recruitment plans to ensure sufficient resources to support business and operations. On staff retention and attraction, the Company continually evaluates our remuneration packages and makes adjustments if needed to be competitive with market rates, as well as takes steps to improve career development and progression opportunities.
Supply Chain Risks	As part of supply chain management, the Company forecasts and provisions parts and materials required for aircraft, engine and component maintenance in advance. In addition, inventory levels are monitored and replenished regularly to ensure adequacy. The Company also maintains close communication with original equipment manufacturers ("OEM") and major part suppliers to anticipate potential supply disruptions and ensure continual access to parts and materials. The Company has programmes with several major part suppliers to consign their parts on-site. The Company will continue to expand and diversify its supplier network, and identify alternate vendors as back-up. The Company also conducts robust evaluation of suppliers during the selection process. In addition, processes are in place to manage suppliers and monitor their performance, including requiring suppliers to adhere to SIAEC's Supplier Code of Conduct and ongoing monitoring of suppliers' compliance through audits and supplier engagements.

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 FY2022/23, the Board Safety & Risk Committee held four meetings, and also undertook, inter alia, the following matters:

(a) reviewed the top risks under its purview;

(b) reviewed the salient risk management activities of the Company and its subsidiaries, joint venture and associated companies in managing the top risks under its purview;

(c) reviewed the results of the half-yearly risk reviews to understand the significant risks facing the Group;

(d) reviewed the adequacy and effectiveness of the risk management system, including the assurance provided by Management, and the related disclosures in the Annual Report;

(e) reviewed the risk appetite statements;

(f) reviewed the management of COVID-19-related risks;

(g) reviewed the safety and quality performance, and the actions to address lapses; and

(h) reviewed the Approved Code of Practice on Chief Executives' and Board of Directors' Workplace Safety & Health Duties that was launched in September 2022.

AUDIT COMMITTEE

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

Audit Committee
The Audit Committee comprises six 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: Dr Raj Thampuran
Mr Chin Yau Seng
Ms Christina Hon Kwee Fong (Mrs Christina Ong) *(until 31 December 2022)*
Mr Lim Kong Puay *(from 1 May 2022)*
Ms Chong Chuan Neo *(from 1 November 2022)*
Ms Tan Tze Gay *(from 1 November 2022)*

Mr Chew Teck Soon stepped down as Chairman of the Audit Committee upon his retirement as Director 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 including without limitation that which relate to internal controls, interested person transactions and sustainability reviews;
- external audit qualification, scope, adequacy, effectiveness, independence, terms of engagement, engagement fees and results of work;
- compliance with legal, regulatory (non-aviation related) and Company policies including matters of financial reporting and other financial-related risks;
- 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. The Company's external auditor, KPMG LLP ("KPMG"), is registered with the Accounting and Corporate Regulatory Authority ("ACRA"). The audit partner is rotated once every five years.

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 remuneration of the external auditors. 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 audits and information technology audits across the Group. The annual audit plan is developed using a structured risk and control assessment framework through which the inherent risk and control environment of each auditable unit in the Group is assessed. The risk-based annual audit plan is aligned to the key strategies and risks across the Group's business. SIA Internal Audit uses analytical tools to perform data analysis in selected audit areas. This has enabled SIA Internal Audit to be more effective in providing audit assurance. 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 SIA 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 and whistle-blowing investigations functions 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 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 and Management. 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, including its Code of Ethics. SIA Internal Audit is adequately staffed by persons with the relevant qualifications and experience. The professional competence of SIA Internal Audit is maintained or upgraded through professional certifications, training programmes, conferences and seminars that provide updates on auditing techniques and regulations. Quality assessment reviews are carried out at least once in five years by external qualified professionals. The last external 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 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 policies and programme described below. 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. The policy is communicated clearly to all employees on the Company's intranet and via a web-based training course introduced in FY2022/23. 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 at its quarterly meetings to ensure timely, independent and thorough investigation and adequate resolution. The Company has internal processes in place to ensure that all reported incidents undergo an independent and thorough investigation by the SIA Internal Audit team, which is the designated independent function tasked with the responsibility of investigating whistle-blowing reports made in good faith, and that appropriate follow-through actions are taken, including an established disciplinary inquiry process to handle employee misconduct. The Company also publicly discloses the existence of whistle-blowing reporting channels on our corporate website.

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 Audit 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 applicable to all Directors and employees of the Company. The Policy and Guidelines are posted on the Company's intranet for easy access. 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 dealing 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/or privy to any material unpublished price and/or trade-sensitive information relating to the Group. The Company similarly does not deal 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.

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 deal 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 the SGX-ST within one business day of receiving notification from the Director.

The Policy and Guidelines also remind employees and Directors to avoid dealing 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 33 of this 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 onwards. 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-year and full-year financial results announcements and financial statements required by the Listing Manual, and voluntary business updates for the first and third quarters of the financial year 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 would 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 FY2022/23. Please refer to pages 95 to 100 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 and actions taken by Management to manage and drive performance improvements up to the date of the Directors' Statement as set out on pages 85 to 94 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 85 to 94 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 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 85 to 94 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 was satisfied that the revenue recognition of the Group had been appropriately accounted for in the consolidated financial statements.

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 $376,500 were paid to the external auditors of the Group during FY2022/23 for audit and non-audit services. Of this, fees for non-audit services amounted to $20,000. 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 ACRA 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 FY2022/23 and the re-appointment of KPMG for shareholders' approval at the 2023 AGM.

The Company has complied with Rules 712 and 716 of the Listing Manual in relation to its engagement of auditors for FY2022/23.

(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. This includes the internal review on the sustainability reporting processes in accordance with Rule 711B of the Listing Manual, for identified key material topics. In FY2022/23, this was carried out by an external consultant. 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 & Compliance Management structure, the Audit Committee provided oversight to the work of the Group Risk & Compliance Management Committee in respect of financial risks 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 2023.

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 2023. 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 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 set out in the Appendix to the Letter to Shareholders, defines the levels and procedures to obtain approval for such transactions. As required by the Listing Manual, details of the IPTs entered into by the Group are disclosed on page 194 of this Annual Report.

Pursuant to the Listing Manual, 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 2023, there were no loans granted to Directors.

(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 with the channels to raise concerns, in confidence, about possible improprieties in matters of financial reporting or other matters and misconduct or wrong-doing relating to the Group or its officers. All whistle-blowing reports were investigated by the internal audit function and reviewed by the Audit Committee at its quarterly meetings to ensure timely, independent and thorough 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;

CORPORATE GOVERNANCE

- 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 FY2022/23, the Executive Committee held three meetings, and also undertook, inter alia, the following activities:

(a) monitored the outcomes of a validation study and the next steps for full implementation of an enterprise information management system;

(b) reviewed a subsidiary's funding requirements for capability development;

(c) reviewed a consultant's recommendations on the strategy and roadmap development for an innovation culture change programme;

(d) reviewed the plans for the execution of an upgraded enterprise resource planning system;

(e) reviewed proposed revisions to the Terms of Reference of the Executive Committee for greater clarity on sustainability issues under its purview;

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

(g) 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 three Directors including the Chairman, 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 (Executive Chairman, Hope Technik)
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)
Mr Mark Schulz (Founder of #DigitalAircraft)
Ms Chong Chuan Neo (Director of the Company) *(from 1 November 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, the 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 and discussed, inter alia, the Company's progress in technology projects and efforts; learnings from major, digital and optimization initiatives; and exploration of technology solutions for energy, waste and water management.

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: Ms Christina Hon Kwee Fong (Mrs Christina Ong) *(until 31 December 2022)*
Mr Lim Kong Puay *(from 1 January 2023)*
Members: Ms Chua Bin Hwee
Ms Tan Tze Gay *(from 1 November 2022)*
Mr Ng Chin Hwee
Mr Foo Kean Shuh

The Board Sustainability Committee assists the Board in overseeing sustainability matters by accelerating, leading and guiding the Group's sustainability efforts. In accordance with the Terms of Reference approved by the Board, the Board Sustainability Committee's key responsibilities are:

- development and ongoing review of the Group's sustainability strategy;
- development and ongoing review of the Company's ESG framework, policies, goals, priorities, guidelines, etc.;
- sustainability governance;
- management of the Company's ESG risks;
- 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
- oversight of sustainability reporting, assurance matters and the Company's annual sustainability report.

In FY2022/23, the Company committed to plans to reduce carbon emissions, positioning the Company for continued sustainable growth in the years to come.

During FY2022/23, the Board Sustainability Committee held three meetings, and also undertook, inter alia, the following activities:

(a) reviewed the sustainability workplan and tracked performance and progress of the workplan;

(b) reviewed materiality assessment findings; and

(c) reviewed the 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 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 the Company's website, as well as 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. In addition, shareholders will be given the opportunity to submit written questions prior to general meetings, and all substantial and relevant comments and queries will be responded to within a reasonable timeframe, either prior to the general meeting through publication on SGXNet and the Company's website or at the general meeting itself.

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 the resolutions proposed for the 2023 AGM, please refer to the 'Notice of AGM' in this Annual Report, which is also accessible on SGXNet and 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 this 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.

2022 AGM and forthcoming 2023 AGM

Due to the COVID-19 situation in Singapore, the AGM held in respect of the financial year ended 31 March 2022, 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, or live at, the AGM, addressing of substantial and relevant questions in advance of or live at the AGM and voting at the AGM (a) live by the shareholders or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means, or (b) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the AGM, were put in place for the 2022 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 2022 AGM were published on SGXNet and the Company's website prior to the 2022 AGM. The Board of Directors, the CEO, the CFO and the Company Secretary were present in person at the 2022 AGM proceedings, except for one Director who attended via video conference.

The COVID-19 Order will cease on 1 July 2023. The Company notes the recent legislative amendments to the Companies Act 1967 which will take effect on 1 July 2023 and which will enable companies to hold general meetings using virtual meeting technology, as well as the relevant SGX guidance on the same. Having regard to the size and needs of the Company's shareholder base and to facilitate shareholder engagement, the 2023 AGM will be held in a wholly physical format. There will be no option for shareholders to participate virtually. For the 2023 AGM, shareholders can continue to submit, via email or by post, substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM, by the deadline specified in the Notice of AGM. The Company will respond to all substantial and relevant questions received by the submission deadline by publishing its responses on SGXNet and the Company's website at least 48 hours prior to the closing date and time for the submission of instruments appointing a proxy(ies). The Company will respond to questions or follow-up questions submitted after the submission deadline either within a reasonable timeframe before the 2023 AGM, or at the 2023 AGM itself.

Minutes of General Meetings

Minutes of shareholders' meetings, which record substantial and relevant comments and queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management, are prepared by the Company Secretary and published on SGXNet and the Company's website as soon as practicable, and, in any case, within one month after such meetings. The minutes of the 2022 AGM proceedings were published on SGXNet and the Company's website within one month after the 2022 AGM, in compliance with the Listing Manual.

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 proposed final dividend of 5.5 cents per ordinary share for FY2022/23 is subject to the approval of the shareholders at the forthcoming 2023 AGM.

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, financial performance and key business developments 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) Half-year and full-year 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 half-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 half-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

ENGAGEMENT WITH STAKEHOLDERS

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 and ESG 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	• 1SQ Mobile web application and myHR • Intranet portal, in-house online magazine, communication packages, toolbox briefings • Dialogues with Senior Management • Surveys on organisational climate, sustainability, mental health being • Events such as Safety & Security Week and Innovation Week • Grievance mechanism through the Whistle-blowing programme and procedure set out in Collective Agreements
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 collaborate on strategic and business opportunities, which was attended by representatives from the Economic Development Board, SIA, JV partners and leadership • Management review of JVs' performance and issues • Representation and participation of the Company's nominee directors at JV Board meetings • Presentation to the Board on JVs' performance and growth plans • Regular internal audits on JVs' internal controls and compliance, and regulatory audits on safety and quality standards • Grievance mechanism through the Whistle-blowing programme

Stakeholder	Engagement Methods
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
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 National Employers Federation, Singapore Institute of Aerospace Engineers and Association of Aerospace Industries (Singapore) • Regular meetings and visits by the aviation authorities' auditors • Collaborations with industry and government agencies
Community	• Participation of employee volunteers in community projects and environmental outreach activities • Donations

In our 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, which will be published on the Company's website, for more information on stakeholder engagement activities.

Sustainability

SIAEC is committed to working towards a sustainable future. Guided by the Board and the Board Sustainability Committee, the Company strives to continually improve our sustainability practices and performance. In April 2022, the Board Sustainability Committee was established to provide oversight and guide the Company's sustainability strategy. We report our sustainability performance with reference to the SGX Sustainability Reporting Guide and the Global Reporting Initiative (GRI) Standards. A sustainability masterplan with 2030 sustainability targets has been developed for the Company. SIAEC already has 2030 Scope 1 and 2 emissions target commitments in place and is assessing our Scope 3 emissions targets.

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. This Summary of Disclosures describes our corporate governance practices with specific reference to the principles and provisions of the Code.

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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, human resources and industrial relations risks, and environmental and climate risks.

More details of the key elements of the Risk Management Framework can be found on the Company's website[1].

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.

1 https://www.siaec.com.sg/pdf/SIAEC_risk_management_framework.pdf

RISK MANAGEMENT

MANAGEMENT OF KEY RISKS

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

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 on the global economy, rapid geo-political developments, competition in the 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 service provider and stay ahead of its competition, the Company is building upon the foundation from its Transformation phase and transitioning towards Continuous Improvement to continue efforts across key technology areas such as digitalisation and automation, as well as adoption of Lean methodology in its operations and business processes. Besides improving operational efficiency and productivity, Continuous Improvement aims to create value for 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 throughout the organisation. 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 59 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 Supplier 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.

RISK MANAGEMENT

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 ("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. Although Singapore has lowered the Disease Outbreak Response System Condition ("DORSCON") level, the Group continues to maintain vigilance and ensure associated safety risks are monitored and managed accordingly.

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 29 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 252 physical and desktop audits on the operations of the Company in FY2022/23 to affirm the adherence to operational and safety standards.

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.

Management of Key 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 Company's responses in the event of a cyber security incident and an exercise was conducted in FY2022/23 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 Group companies to ensure compliance with IT controls and where required, follow-up actions to improve standards and resilience.

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 177 to 184 of this Annual Report.

RISK MANAGEMENT

Management of Key Risks	
Human Resources Risks	In a rapidly changing business landscape, businesses need to be agile and responsive to market shifts. A talented and skilled workforce that is equipped with the necessary competencies is critical. 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 remains robust to support business growth and expansion. Through a structured Talent Management Framework, high potential employees with desired leadership qualities and the potential to assume key management positions are identified. This talent pool is reviewed and refreshed annually, and the Company invests in their development through targeted training, mentoring, coaching and on-the-job capability development 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. The Company is equally committed to the development of the workforce through upskilling and reskilling. Keeping pace with the Company's Transformation and continuous improvement initiatives, continuing education and training ("CET") of the workforce ensures all employees are equipped with the right skills and competencies to adapt to new technology and work processes. By investing in a future-ready workforce, we ensure the business remains competitive and at the same time, strengthen employee engagement and retention. Pre-employment training ("PET") is another area where the Company is committed to nurture the next generation of talents for the business. The Company collaborates with Institutes of Higher Learning ("IHLs"). Our Memorandums of Understanding ("MOU") with seven IHLs, namely the Institute of Technical Education ("ITE"), the Polytechnics and the Singapore Institute of Technology ("SIT"), underscores our commitment in this area. Through internships, attachments, career talks and projects that expose students to real-world challenges, we aspire to build pipelines of talents that are equipped with the necessary skills and knowledge needed in the future. The Company monitors the labour market and reviews recruitment plans to ensure sufficient resources to support business and operations. On staff retention and attraction, the Company continually evaluates our remuneration packages and makes adjustments if needed to be competitive with market, as well as takes steps to improve career development and progression opportunities.
Supply Chain Risks	As part of supply chain management, the Company forecasts and provisions parts and materials required for aircraft, engine and component maintenance in advance. In addition, inventory levels are monitored and replenished regularly to ensure adequacy. The Company also maintains close communication with OEMs and major part suppliers to anticipate potential supply disruptions and ensure continual access to parts and materials. The Company has programmes with several major part suppliers to consign their parts on-site. The Company will continue to expand and diversify its supplier network, and identify alternate vendors as back-up. The Company also conducts robust evaluation of suppliers during the selection process. In addition, processes are in place to manage suppliers and monitor their performance, including requiring suppliers to adhere to SIAEC's Supplier Code of Conduct and ongoing monitoring of suppliers' compliance through audits and supplier engagements.

SUSTAINABILITY AT SIAEC

The past year saw flight activities and demand for maintenance, repair and overhaul services increased as countries reopened their borders and global air travel resumed after the pandemic. As SIAEC focused on business recovery and ramping up operations, the Company also paid equal attention to sustainability and remained steadfast in advancing its environmental, social and governance (ESG) agenda in FY2022/23.

Building upon SIAEC's sustainability framework, we have set 2030 targets covering our ambitions in key ESG areas. These targets will guide SIAEC's development and initiatives over the coming decade, and are aligned to support several of United Nations Sustainable Development Goals.

One key target is to halve SIAEC's Scope 1 and 2 carbon emissions by 2030, which will ensure that we stay on course to reach our net-zero emissions goal by 2050. To this end, we have developed a decarbonisation framework, with levers and enablers to guide efforts towards meeting our goal. In line with SIAEC's commitment to greater transparency, we will be reporting Scope 3 emissions from business travel for a start, as well as progressive climate-related disclosures based on recommendations from the Task Force on Climate-related Financial Disclosures. We have also performed a review of our reporting processes for FY2022/23 to ensure quality of the information disclosed in sustainability report. We are encouraged that our sustainability reporting efforts have been recognised by rating agencies seen from improvement in SIAEC's latest ESG ratings.

Our employees are integral to SIAEC's success and their safety and well-being are of utmost importance. During the year, we reaffirmed our commitment to prioritise and enhance safety within the Company. With continual safety engagements on the ground, and as evidenced by the execution of several safety initiatives from our employees, we have recognised that their involvement and dedication are vital to fostering a safety-first culture. Noting the importance of employee well-being, we have implemented new initiatives such as dedicated counselling services and employee support groups, which have been consolidated with other information regarding the range of wellness activities and health tips available to employees under a one-stop wellness portal. An organisation-wide survey was also conducted to assess and understand the overall well-being of our workforce, with focus group formed to address the findings.

SIAEC also continues to invest in the training of our employees and equip them with competencies to meet market demand. Following the establishment of SIAEC Lean Academy in 2021, we have trained approximately 90% of our employees on Lean methodologies. The training lays the foundation as SIAEC plans to transition from the Transformation phase towards a culture of Continuous Improvement. Beyond our workforce, SIAEC contributes to the nurturing of future talents in the industry through signing of a Memorandums of Understanding with seven Institutes of Higher Learning (IHLs), which will drive partnerships in key areas such as designing training curricula and industry attachments to motivate and cultivate the next generation of aerospace professionals. Our Continuous Education and Training programmes with IHL partners also enable employees to continually upgrade themselves with future-ready skills.

We continued to engage and contribute to the community in the past year. With the lifting of social restrictions, we were able to resume our engagement and activities with our Corporate Social Responsibility partners. After conducting virtual run events for the past two years, SIAEC's annual Charity Run returned to a physical format and was held at the Jurong Bird Park. Funds raised from these events went towards helping beneficiaries of various charities.

We recognise the need to involve all stakeholders in building the future of SIAEC. To ensure that we align stakeholders' priorities and expectations with our sustainability objectives, we conducted an enhanced materiality assessment survey in FY2022/23 with key stakeholders to revalidate our sustainability topics.

SIAEC remains committed to ensuring the sustainability of its business and operations through the proper stewardship of its sustainability topics, while continuing to deliver long-term growth and world-class MRO services. For more information on the management approach, targets and performance of the Company's material sustainability topics, please look out for SIAEC's FY2022/23 Sustainability Report, which will be published on the corporate website.

SUSTAINABILITY AT SIAEC

SIAEC'S FY2022/23 SUSTAINABILITY HIGHLIGHTS

Continued excellence in our operations
Awarded
Asia-Pacific MRO Of The Year
for the second consecutive year

Won
Asia MRO Of The Year – Airframe Award
by Aviation Week Network

Ensuring safety of employees and delivering high quality services to our customers
0
High-consequence work-related injuries and work-related fatalities

Won
3 awards at Changi Airport Group's Airport Safety Awards
in 2022

Managing environmental impact from our operations
Set 2030 target to halve Scope 1 and 2 emissions from FY2019/20 baseline.

All SIAEC-owned buildings
achieved PUB
Water Efficient Building
Certifications

23.0%
of waste recycled

0
cases of non-compliance with environmental laws and/or regulations

Upholding high corporate governance standards
0
substantiated incidents of corruption or bribery

0
substantiated complaints concerning breaches of customer privacy and losses of customer data

Nurturing and investing in SIAEC's human capital
45.5
hours of training per employee on average

Signed
MOUs with Institutes of Higher Learning
to provide enhanced training curricula, industry attachments, and research partnerships to boost the aerospace industry

Selecting responsible supply chain partners
0
suppliers were found to have breached SIAEC's Supplier Code of Conduct

Connecting and giving back to local communities
S$127,000
donated through our CSR efforts

STATISTICAL HIGHLIGHTS

	2022/23	2021/22	% Change
FINANCIAL STATISTICS [R1]			
Financial Results ($ million)			
Revenue	**796.0**	566.1	+ 40.6
Expenditure	**822.3**	587.9	+ 39.9
Operating loss	**(26.3)**	(21.8)	+ 20.6
Profit before taxation	**65.5**	49.2	+ 33.1
Profit attributable to owners of the parent	**66.4**	67.6	– 1.8
Financial Position ($ million)			
Equity attributable to owners of the parent	**1,666.1**	1,610.7	+ 3.4
Total assets	**1,983.2**	1,838.2	+ 7.9
Return on equity holders' funds (%) [R2]	**4.1**	4.3	– 0.2
Value added ($ million)	**557.9**	397.2	+ 40.4
Per Share Data (cents)			
Earnings – basic [R3]	**5.91**	6.02	– 1.8
Earnings – diluted [R4]	**5.89**	6.00	– 1.8
Net asset value [R5]	**148.5**	143.5	+ 3.5
Dividends (cents per share)			
Interim dividend	**–**	–	–
Final dividend	**5.5**	–	n.m.
PRODUCTIVITY AND EMPLOYEE DATA			
Average number of employees	**5,515**	5,476	+ 0.7
Revenue per employee ($)	**144,328**	103,376	+ 39.6
Value added per employee ($)	**101,156**	72,548	+ 39.4
Staff costs per employee ($)	**79,475**	64,659	+ 22.9

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 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.
R4 Earnings 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 vesting of all outstanding performance shares, restricted shares and deferred shares granted to employees.
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.

FINANCIAL CONTENTS

FINANCIAL REVIEW

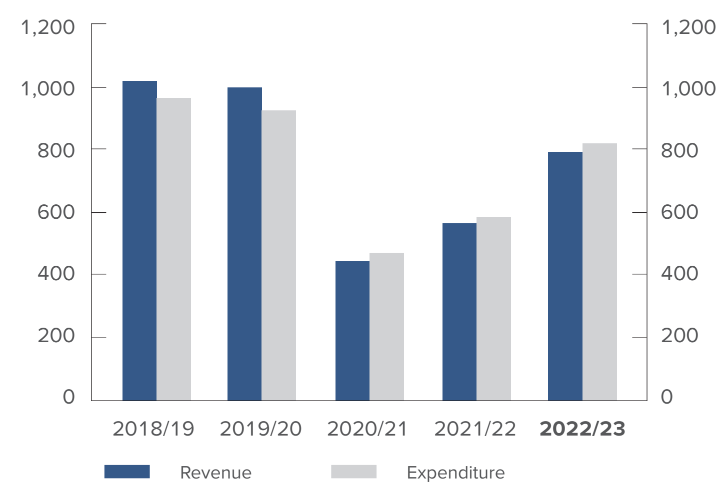
EARNINGS

Driven by recovery of flight activities, Group revenue grew $229.9 million (+40.6%) over last year. Expenditure increased $234.4 million (+39.9%) year-on-year to $822.3 million, mainly due to lower government wage support and increase in manpower costs. Consequently, the Group recorded a higher operating loss of $26.3 million, $4.5 million worse as compared to the operating loss of $21.8 million last year.

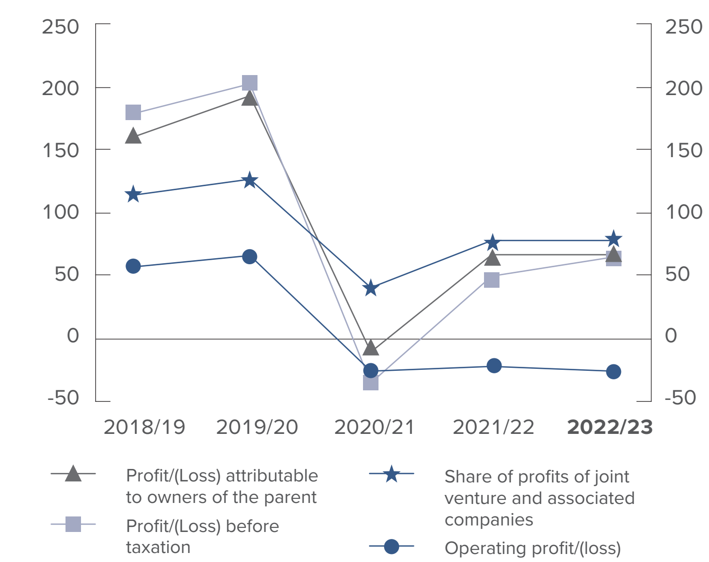
Including share of profits from joint venture and associated companies and non-operating items, the Group posted a profit attributable to owners of the parent of $66.4 million for the financial year 2022/23, comparable to the profit of $67.6 million recorded in 2021/22.

Basic earnings per share for the Group stood at 5.91 cents, as compared to the basic earnings per share of 6.02 cents last year.

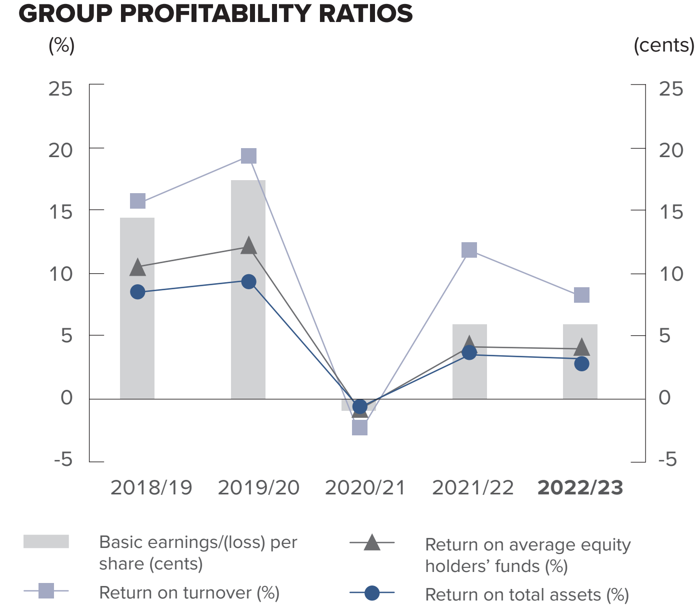
GROUP REVENUE AND EXPENDITURE
($ million)



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:

	2022/23 %	2021/22 %	Change % points
Return on turnover	**8.3**	11.9	– 3.6
Return on average equity holders' funds	**4.1**	4.3	– 0.2
Return on total assets	**3.3**	3.7	– 0.4

FINANCIAL REVIEW

REVENUE *

The Group's revenue composition is as follows:

	2022/23 $ million	2021/22 $ million	Change $ million	%
Airframe overhaul and line maintenance	**644.9**	465.8	+ 179.1	+ 38.4
Engine and component	**151.1**	100.3	+ 50.8	+ 50.6
Total	**796.0**	566.1	+ 229.9	+ 40.6

Revenue increased $229.9 million (+40.6%) to $796.0 million as maintenance and overhaul demand picked up in line with the recovery of flight activities.

Increase for the engine and component segment is mainly due to revenue from Engine Services division and the newly acquired subsidiary Asia Pacific Aircraft Component Services Sdn. Bhd. ^

* 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.

^ Formally known as SR Technics Malaysia Sdn. Bhd.

EXPENDITURE

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

	2022/23 $ million	2021/22 $ million	Change $ million	%
Staff costs	**426.4**	282.1	+ 144.3	+ 51.2
Material costs	**118.8**	80.8	+ 38.0	+ 47.0
Subcontract costs	**93.0**	54.0	+ 39.0	+ 72.2
Overheads	**184.1**	171.0	+ 13.1	+ 7.7
Total	**822.3**	587.9	+ 234.4	+ 39.9

Expenditure increased $234.4 million or 39.9% mainly due to the progressive step down of government wage support and higher staff costs and material costs. Excluding government wage support, staff costs would have increased $84.2 million or 23.8%. Material and subcontract services increased in line with higher work volume. Overheads were higher mainly due to higher equipment maintenance and company accommodation costs.

FINANCIAL REVIEW

OPERATING LOSS

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

	2022/23 $ million	2021/22 $ million	Change $ million	%
Airframe and line maintenance	**(2.0)**	2.9	– 4.9	n.m.
Engine and component	**(24.3)**	(24.7)	+ 0.4	+ 1.6
Total	**(26.3)**	(21.8)	– 4.5	– 20.6

n.m. not meaningful

Airframe and line maintenance segment incurred losses as compared to profit last year as operating improvement from flight recovery could not fully offset the reduction in wage support. Engine and component segment's performance is comparable to last year.

SHARE OF PROFITS OF ASSOCIATED AND JOINT VENTURE COMPANIES

Share of profits of associated and joint venture companies at $77.8 million was $1.3 million (-1.6%) lower year-on-year mainly due to absence of wage support and one-time writeback of tax provision by certain associated companies. Excluding these items, share of profits increased $42.7 million year-on-year; $13.4 million from the airframe and line maintenance segment and $29.3 million from the engine and component segment.

Eagle Services Asia (ESA)'s engine shipments were 153 in 2022/23, compared with 151 in 2021/22.

Singapore Aero Engine Services (SAESL)'s engine shipments were 257 in 2022/23, compared with 198 in 2021/22.

TAXATION

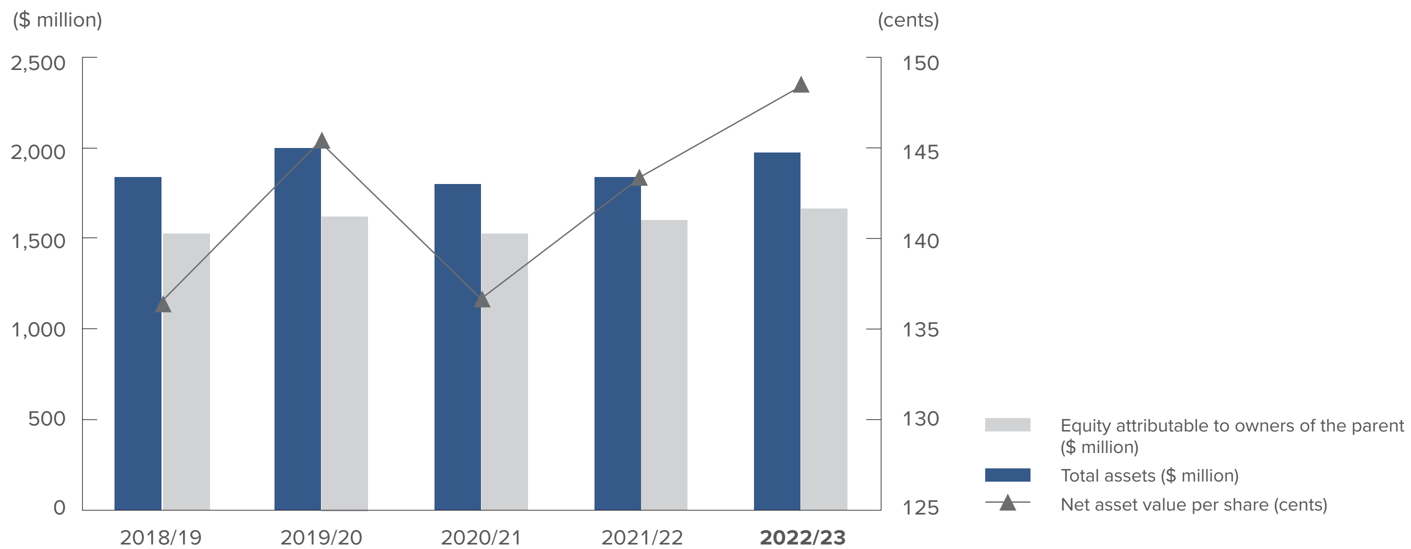
The Group recorded a tax credit of $1.0 million for the financial year 2022/23 and tax credit of $18.6 million in the prior year.

FINANCIAL POSITION

As at 31 March 2023, equity attributable to owners of the parent of $1,666.1 million was $55.4 million or 3.4% higher than at 31 March 2022. The increase was mainly due to profit earned for the financial year.

Total assets stood at $1,983.2 million as of 31 March 2023, an increase of $145.0 million (+7.9%). The Group's cash balance stands at $633.0 million as of 31 March 2023, an increase of $7.5 million (+1.2%), with low borrowings. Net asset value per share as at 31 March 2023 was 148.5 cents, an increase of 5.0 cents or 3.5%.

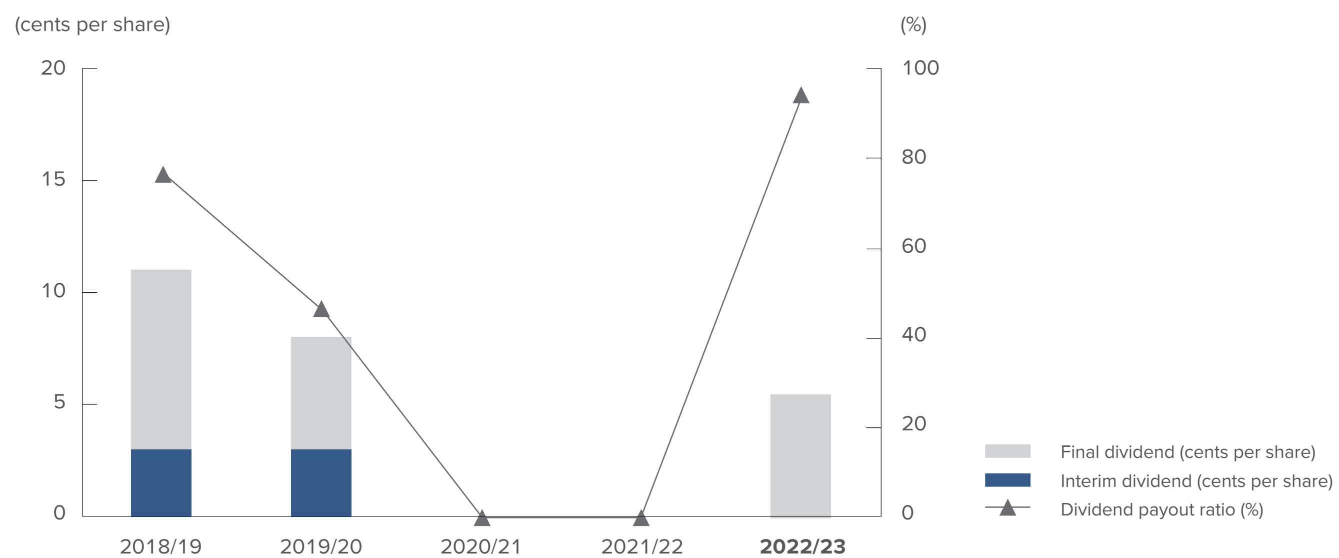
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT, TOTAL ASSETS AND NET ASSET VALUE PER SHARE



DIVIDENDS

The Board is recommending a final ordinary dividend of 5.5 cents per share for 2022/23.

The final ordinary dividend (amounting to approximately $61.7 million), if approved by shareholders during the Annual General Meeting on 20 July 2023, will be paid on 11 August 2023. This translate to a payout of approximately 92.9 percent.

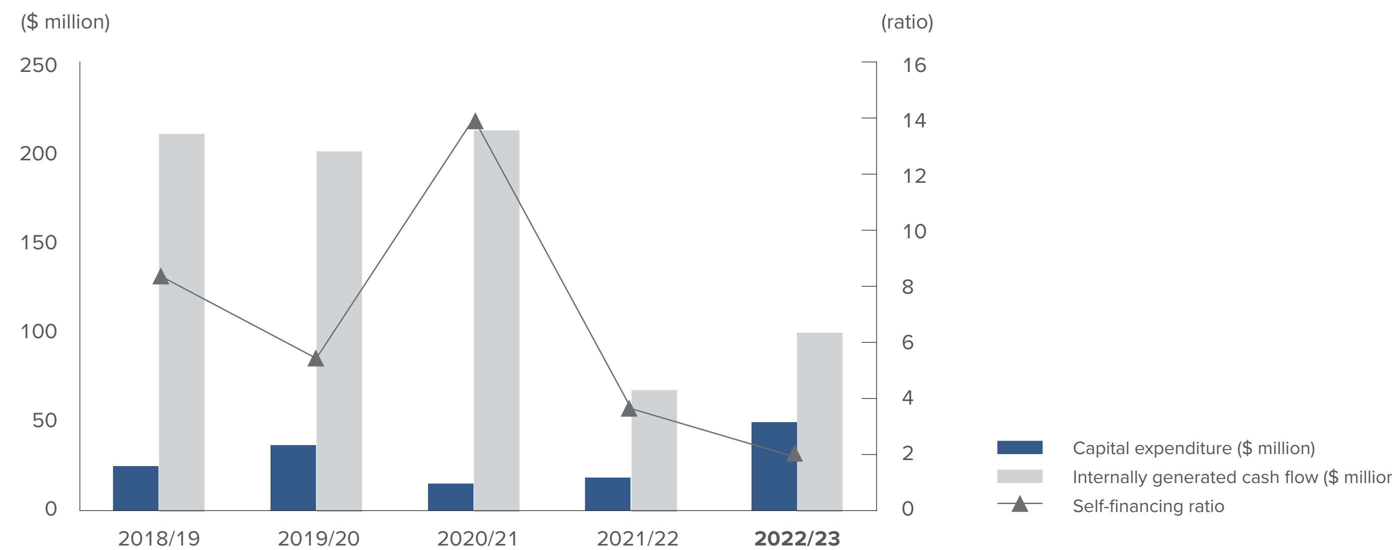


CAPITAL EXPENDITURE AND CASH FLOW

Capital expenditure by the Group increased by $30.2 million (+164.1%) to $48.6 million in 2022/23. Approximately 9% of the expenditure was spent on plant, equipment and tooling projects, while 1% was on office equipment.

Including grants received from government, internally generated cash flow increased $31.5 million (+46.7%) to $98.9 million. The self-financing ratio of cash flow to capital expenditure was 2.0 times, compared to 3.7 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:

	2022/23	2021/22	% change
Revenue per employee ($)	**144,328**	103,376	+ 39.6
Value added per employee ($)	**101,156**	72,548	+ 39.4
Staff costs per employee ($) *	**79,475**	64,659	+ 22.9
Average number of employees	**5,515**	5,476	+ 0.7

* Staff costs excluding wage support from government support schemes. The increase in staff costs per employee is mainly due to progressive scale back and cessation of paycuts, compulsory no pay leave and furlough.

FINANCIAL REVIEW

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

	2022/23	2021/22
Revenue	**796.0**	566.1
Less:		
Purchase of goods and services	**(331.9)**	(242.5)
Value added on operations	**464.1**	323.6
Add:		
Interest income	**12.3**	1.8
Surplus on disposal of property, plant and equipment and intangible assets	*	0.7
Surplus on disposal of associated company	–	2.6
Impairment loss reversal/(allowance) of associated companies	**2.0**	(2.2)
Impairment loss reversal/(allowance) of non-financial assets	**1.7**	(8.4)
Share of profits of associated and joint venture companies, net of tax	**77.8**	79.1
Total value added available for distribution	**557.9**	397.2
Applied as follows:		
To employees		
– Salaries and other staff costs #	**438.3**	354.0
To government		
– Corporate taxes	**(1.1)**	(0.3)
– Wage support from government support schemes	**(11.9)**	(71.9)
To suppliers of capital		
– Interest charges	**2.0**	2.6
– Proposed dividends	**61.7**	–
– Non-controlling interests	**0.1**	0.2
Retained for future capital requirements		
– Depreciation	**59.3**	59.8
– Amortisation of intangibles	**4.7**	3.5
– Retained profit	**4.8**	49.3
Total value added	**557.9**	397.2
Value added per $ revenue ($)	**0.70**	0.70
Value added per $ employment cost # ($)	**1.27**	1.12
Value added per $ investment in property, plant and equipment ($)	**0.69**	0.53

* Amount less than $0.1 million
\# Excluding wage support from government support schemes

DIRECTORS' STATEMENT

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 2023.

In our opinion:

(a) the financial statements set out on pages 101 to 193 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 2023, and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date 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)
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)
Chong Chuan Neo	(Independent, from 1 October 2022)
Tan Tze Gay	(Independent, from 28 October 2022)

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	1.4.2022/date of appointment	31.3.2023	1.4.2022/date of appointment	31.3.2023
Interest in Singapore Airlines Limited				
Ordinary shares				
Goh Choon Phong	3,408,955	3,806,779	–	–
Ng Chin Hwee	957,642	999,234	–	–
Mak Swee Wah	1,001,974	1,184,798	–	–
Chin Yau Seng	232,360	346,907	–	–
Chua Bin Hwee	–	–	30,000	30,000
Chong Chuan Neo	–	–	18,000	18,000
Tan Tze Gay	23,000	23,000	–	–
Conditional award of Restricted Share Plan ("RSP") shares [1]				
Goh Choon Phong				
– Base Awards	102,850	93,494	–	–
– Final Awards (Pending Release)	77,792	121,978	–	–
Ng Chin Hwee				
– Final Awards (Pending Release)	6,472	–	–	–
Mak Swee Wah				
– Base Awards	51,425	46,747	–	–
– Final Awards (Pending Release)	37,412	60,383	–	–
Chin Yau Seng				
– Base Awards	38,160	34,689	–	–
– Final Awards (Pending Release)	20,389	41,182	–	–
Conditional award of Performance Share Plan ("PSP") shares [2]				
Goh Choon Phong				
– Base Awards	424,110	429,517	–	–
Ng Chin Hwee				
– Base Awards	56,772	–	–	–
Mak Swee Wah				
– Base Awards	176,625	176,988	–	–
Chin Yau Seng				
– Base Awards	79,208	79,204	–	–
Conditional award of transformation restricted shares [3]				
Ng Chin Hwee				
– Final Awards (Pending Release)	13,500	–	–	–

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

	Direct interest		Deemed interest	
Name of Director	1.4.2022/date of appointment	31.3.2023	1.4.2022/date of appointment	31.3.2023
Interest in Singapore Airlines Limited				
Conditional award of Strategic restricted shares [4]				
Goh Choon Phong				
– Final Awards (Pending Release)	123,225	122,125	–	–
Mak Swee Wah				
– Final Awards (Pending Release)	57,475	56,650	–	–
Chin Yau Seng				
– Final Awards (Pending Release)	32,850	41,650	–	–
$600 million 3.16% Notes due 2023				
Tang Kin Fei	$250,000	$250,000	–	–
2020 $3.496 billion Mandatory Convertible Bonds due 2030				
Ng Chin Hwee	$80,000	–	–	–
Tan Tze Gay	$26,110	–	–	–
2021 $6.197 billion Mandatory Convertible Bonds due 2030				
Goh Choon Phong	$500,000	$500,000	–	–
Tan Tze Gay	$48,070	$48,070	–	–
Interest in SIA Engineering Company Limited				
Ordinary shares				
Tang Kin Fei	–	–	20,000	20,000
Ng Chin Hwee	65,400 [5]	229,800	–	–
Tan Tze Gay	5,000	5,000	–	–
Conditional award of RSP shares [1]				
Ng Chin Hwee				
– Initial Awards	142,800	143,300	–	–
– Final Awards (Pending Release)	110,660	159,940	–	–
Conditional award of PSP shares [2]				
Ng Chin Hwee				
– Initial Awards	354,800	530,000	–	–
Conditional award of deferred restricted shares [6]				
Ng Chin Hwee				
– Initial Awards	122,970 [6]	122,970 [6]	–	–
– Final Awards (Pending Release)	–	113,162 [7]	–	–
Interest in Astrea IV Pte. Ltd.				
$242 million 4.35% Class A-1 Secured Fixed Rate Bonds due 2028				
Chin Yau Seng	$133,000	$133,000	–	–
Tan Tze Gay	$8,000	$8,000	–	–

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

	Direct interest		Deemed interest	
Name of Director	1.4.2022/date of appointment	31.3.2023	1.4.2022/date of appointment	31.3.2023
Interest in Astrea V Pte. Ltd.				
$315 million 3.85% Class A-1 Secured Fixed Rate Bonds due 2029				
Ng Chin Hwee	$5,000	$5,000	–	–
Tan Tze Gay	$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$130 million Class B 4.35% Secured Fixed Rate Bonds due 2031				
Ng Chin Hwee	US$200,000	US$200,000	–	–
Interest in Astrea 7 Pte. Ltd.				
US$200 million 6% Class B Secured Fixed Rate Bonds due 2032				
Chin Yau Seng	–	US$298,000	–	–
$526 million 4.125% Class A-1 Secured Fixed Rate Bonds due 2032				
Tan Tze Gay	$100,000	$100,000	–	–
Interest in CapitaLand Ascendas REIT				
Units				
Tan Tze Gay	10,000	10,000	–	–
$208 million 3.468% Green Fixed Rate Notes due 2029				
Tan Tze Gay	$250,000	$250,000	–	–
Interest in CapitaLand Ascott Trust				
Units				
Tan Tze Gay	12,310	12,310	–	–
Interest in CapitaLand China Trust				
Units				
Ng Chin Hwee	77,300	77,300	–	–
Tan Tze Gay	5,786	5,786	–	–
Interest in CapitaLand Integrated Commercial Trust				
Units				
Goh Choon Phong	10,237	10,237	–	–
Ng Chin Hwee	1,082	1,082	–	–
Chua Bin Hwee	62,250 [(8)]	71,470 [(8)]	–	–
Tan Tze Gay	17,995	17,995	21,550	21,550
Interest in CapitaLand Investment Limited				
Ordinary shares				
Goh Choon Phong	35,000	35,000	–	–
Ng Chin Hwee	7,000	7,000	–	–
Tan Tze Gay	38,605	38,605	139,336	139,336

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

	Direct interest		Deemed interest	
Name of Director	1.4.2022/date of appointment	31.3.2023	1.4.2022/date of appointment	31.3.2023
Interest in CapitaLand Investment Limited				
S$400 million 3.33% Fixed Rate Senior Notes due 2027				
Goh Choon Phong	–	$250,000	–	–
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 Europe Income Trust				
Units				
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	–	–
Interest in Mapletree Industrial Trust				
Units				
Tang Kin Fei	50,000	50,000	–	–
Wee Siew Kim	74,400	169,101	–	–
Ng Chin Hwee	70,200	70,200	–	–
Tan Tze Gay	3,118	3,118	–	–
Interest in Mapletree Logistics Trust				
Units				
Tang Kin Fei	40,000	40,000	–	–
Ng Chin Hwee	7,500	7,500	–	–
Tan Tze Gay	23,500	23,500	114,900	114,900
Interest in Mapletree North Asia Commercial Trust [(9)]				
Units				
Lim Kong Puay	20,000	–	–	–
Interest in Mapletree Pan Asia Commercial Trust (formerly known as Mapletree Commercial Trust) [(9)]				
Units				
Ng Chin Hwee	48,800	48,800	–	–
Wee Siew Kim	45,312	45,312	–	–
Tan Tze Gay	36,192	36,192	115,000	115,000

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

Name of Director	Direct interest 1.4.2022/date of appointment	Direct interest 31.3.2023	Deemed interest 1.4.2022/date of appointment	Deemed interest 31.3.2023
Interest in Mapletree Treasury Services Limited				
$700 million 3.95% Perpetual Securities				
Tang Kin Fei	$500,000	$500,000	–	–
Tan Tze Gay	$250,000	$250,000	–	–
Interest in Mapletree US & EU Logistics Private Trust				
Units				
(USD)				
Ng Chin Hwee	185	185	–	–
Wee Siew Kim	300	300	–	–
Chua Bin Hwee	200	200	–	–
(EUR)				
Ng Chin Hwee	185	185	–	–
Wee Siew Kim	300	300	–	–
Chua Bin Hwee	200	200	–	–
Interest in Mapletree US Income Commercial Trust				
Units				
Chua Bin Hwee	150	150	–	–
Interest in Mapletree US Logistics Private Trust				
Units				
Chua Bin Hwee	100	100	–	–
Interest in Olam International Limited				
Ordinary shares				
Ng Chin Hwee	2,000	2,000	–	–
$250 million 5.375% Perpetual Securities				
Tan Tze Gay	$250,000	$250,000	–	–
Interest in Paragon REIT				
Units				
Tan Tze Gay	2,782	2,782	210,000	210,000
Interest in Sembcorp Marine Ltd [10]				
Ordinary shares				
Tang Kin Fei	43,820,281	–	–	–
Ng Chin Hwee	87,723	–	–	–
Lim Kong Puay	429,712	–	–	–
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	–	–
Tan Tze Gay	30,011	30,011	120,046	120,046

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

Name of Director	Direct interest 1.4.2022/date of appointment	Direct interest 31.3.2023	Deemed interest 1.4.2022/date of appointment	Deemed interest 31.3.2023
Interest in Singapore Technologies Telemedia Pte Ltd				
$500 million 4.2% Perpetual Securities				
Tan Tze Gay	$500,000	$500,000	–	–
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
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	100,000	–	–
Lim Kong Puay	15,000	15,000	–	–
Tan Tze Gay	13,755	13,755	61,360	61,360
Interest in StarHub Ltd				
Ordinary shares				
Wee Siew Kim	72,600	72,600	–	–
Interest in Temasek Financial (IV) Private Limited				
$500 million 2.7% Notes due 2023				
Lim Kong Puay	$7,000	$7,000	–	–
$500 million 1.8% Bonds due 2026				
Tan Tze Gay	$66,000	$66,000	–	–
Interest in Vertex Venture Holdings Ltd				
$450 million 3.3% Notes due 2028				
Tan Tze Gay	$250,000	$250,000	–	–
Interest in Vertex Technology Acquisition Corporation Ltd				
Ordinary shares				
Tan Tze Gay	–	–	10,000	10,000
Options				
Tan Tze Gay	–	–	3,000	3,000

Notes:
1. The actual number of RSP Final Awards of fully-paid ordinary shares will range from 0% to 150% of the Base Awards or Initial Awards and is contingent on the achievements against targets over the one-year performance period relating to the relevant awards.
2. The actual number of PSP Final Awards of fully-paid ordinary shares will range from 0% to 200% of the Base Awards or Initial Awards and is contingent on the achievements against targets over the three-year performance periods relating to the relevant awards.
3. 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.
4. 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.
5. 10,000 ordinary shares are held in the name of DBS Nominees (Private) Limited.

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

Notes (continued):

6. The Deferred Share Award of fully-paid ordinary shares granted in Year 2021 will vest at the end of three years from the date of the grant of the award. At the end of the vesting period, the final award will include the sum of SIAEC share dividend yields declared during the vesting period.
7. The Deferred Share Award of fully-paid ordinary shares were granted in Year 2022. Based on the relevant share settlement of the FY2021/22 Strategic Transformational Incentive Plan ("STIP"), the Initial Award will vest with $1/3^{rd}$ vesting immediately upon the date of grant, and the balance at $1/3^{rd}$ over the next 2 years. On the final Vesting Date, there will be an additional equity kicker (Final Award) equivalent to 20% of the Initial Award.
8. Held in the name of Citibank Nominees Singapore Pte Ltd.
9. Following the merger of Mapletree Commercial Trust ("MCT") and Mapletree North Asia Commercial Trust ("MNACT"), MNACT has been delisted from the SGX-ST and MCT has been renamed Mapletree Pan Asia Commercial Trust ("MPACT") with effect from 3 August 2022.
10. Sembcorp Marine Ltd ceased to be a related corporation during the financial year.

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 2023.

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 11 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.

4. EQUITY COMPENSATION PLANS OF THE COMPANY (continued)

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.

For DSA shares granted in 2022, the Initial Award will vest with 1/3 vesting immediately upon the date of grant, and the balance at 1/3 over the next two years. Balance will vest equally over the subsequent two years with fulfilment of service requirements and additional dividend kicker upon final vesting.

5. AUDIT COMMITTEE

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

Quek Bin Hwee – Chairman
Raj Thampuran
Chin Yau Seng
Lim Kong Puay
Chong Chuan Neo (appointed on 1 November 2022)
Tan Tze Gay (appointed on 1 November 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.

DIRECTORS' STATEMENT

5. AUDIT COMMITTEE (continued)

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.

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

8 May 2023

INDEPENDENT AUDITORS' REPORT

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 2023, 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 101 to 193.

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 2023 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 2(l) 'Impairment of non-financial assets' and Note 3 'Significant accounting estimates and critical judgements' together with the relevant accounting policies.

Risk	Our response
During the financial year, the economic performance of airframe maintenance, repair and component overhaul ("MRO") and other related businesses saw steady improvement as the industry gradually emerged from the COVID-19 pandemic. Nonetheless, the market conditions post-pandemic remained highly uncertain amidst significant headwinds such as supply chain disruptions, labour shortages and inflationary pressures. Accordingly, there were indications that the PPE deployed across the Airframe Maintenance, Component Service units, and intangible assets from the Group's participative right in Engine Development Programme (collectively, the "Cash-generating units" or "CGUs") may be impaired. There is inherent uncertainty involved in forecasting and discounting future cash flows for the value-in-use assessments. The market challenges brought about by rising costs and supply chain disruptions create additional estimation uncertainty in determining the recoverable amounts for the CGUs. **Airframe Maintenance** Airframe Maintenance – Management's value-in-use computation assumed gradual recovery of base maintenance work volumes at the hangars and improved operational and financial performance through revision of service agreements with their customers and the productivity gains and cost synergies from transformation initiatives implemented by the Group. The estimated recoverable amount is in excess of the carrying value of the PPE, net of accumulated impairment loss (as brought forward from the previous year). Management has considered sensitivity analysis for recoverable amount from risk of forecasting errors with the prevailing market conditions remaining highly uncertain, neither additional impairment loss nor reversal of previously recognised impairment loss was considered necessary for the current year. Component Services – No impairment loss on PPE was considered necessary following a review of individual customer contracts, factoring in the contractual revenues secured and the financial performance of existing contracts. **Intangible assets – Engine development costs** The Group has a participative right in an Engine Development Programme with Pratt and Whitney under the PurePower PW1000G Risk Revenue Sharing Programmes. Management reviewed the performance and outlook of the programme, alongside prevailing market conditions affecting the supply chain in the foreseeable future, including the percentage of achievement of engine delivery against forecasted, to assess for impairment indicators at year end. During the financial year, the actual engine deliveries lagged behind the forecast slightly owing to global supply chain disruptions. Nonetheless, Management expects engine delivery to catch up with Pratt and Whitney's announced plans to accelerate engine production in the near-term, no impairment loss was considered necessary by Management.	We assessed the appropriateness of the identified CGUs and related non-financial assets deployed therein. 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 used in the assessment of the recoverable amounts of the CGUs. These assumptions include revenue growth and work volume of MRO activities in future periods, operating costs and discount rates, as well as productivity gains and cost synergies from the transformation programmes. We evaluated these assumptions by comparing them to past historical performance, revised service agreements with customers, and tracking the key performance indicators of the productivity and cost initiatives implemented. We also challenged management's judgement by assessing the growth trajectory against industry forecast and trends based on publicly available industry reports. 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 revenue growth, 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 2(l) 'Impairment of non-financial assets', Note 3 'Significant accounting estimates and critical judgements', Notes 18 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 Company closely monitors the economic performance of its investments and evaluates the individual investments for impairment (reversal) if an indicator is identified. The assessment takes into consideration the financial positions, operational performances and other qualitative indicators, such as discontinued lines of business and changes in business plans. Such an assessment involves a high degree of judgement and use of estimates. During the year, the Group recorded reversal of impairment losses of $2,005,000 (Company level: $3,634,000) for an associate based on the projected recoverable amount upon liquidation. At the Company level, $2,700,000 impairment loss was recognised for a subsidiary due to its continued loss-making position since incorporation.	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 by comparing them to the historical trends, recent performances, industry outlook and Management's expectations of future business developments. 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.

Recognition of revenue on customer contracts

Refer to Note 2(r) 'Revenue' and Note 3 '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, line maintenance, inventory technical management and component overhaul and engine repair services (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.	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.

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 *FY2022/23 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.

INDEPENDENT AUDITORS' REPORT

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 Ong Li Qin.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 May 2023

CONSOLIDATED INCOME STATEMENT

For the Financial Year Ended 31 March 2023 (in thousands of $)

		The Group	
	Notes	2022/23	2021/22
REVENUE	4	**795,970**	566,086
EXPENDITURE			
Staff costs	5	**426,408**	282,145
Material costs		**118,828**	80,792
Depreciation	15,16	**59,270**	59,844
Amortisation of intangible assets	17	**4,682**	3,490
Company accommodation		**18,919**	14,523
Subcontract costs		**93,020**	54,034
Other operating expenses		**101,094**	93,128
		822,221	587,956
OPERATING LOSS	6	**(26,251)**	(21,870)
Interest income	7	**12,271**	1,816
Finance charges		**(1,949)**	(2,633)
(Loss)/Surplus on disposal of property, plant and equipment and intangible assets		**(19)**	687
Impairment loss reversal/(allowance) of non-financial assets	15	**1,678**	(8,405)
Impairment loss reversal/(allowance) of associated companies	20	**2,005**	(2,145)
Surplus on disposal of associated companies	20	**–**	2,618
Share of profits of associated companies, net of tax		**48,545**	49,695
Share of profits of a joint venture company, net of tax		**29,269**	29,397
PROFIT BEFORE TAXATION		**65,549**	49,160
Taxation	8	**996**	18,611
PROFIT FOR THE FINANCIAL YEAR		**66,545**	67,771
PROFIT ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		**66,389**	67,608
Non-controlling interests		**156**	163
		66,545	67,771
BASIC EARNINGS PER SHARE (CENTS)	9	**5.91**	6.02
DILUTED EARNINGS PER SHARE (CENTS)	9	**5.89**	6.00

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 2023 (in thousands of $)

	The Group	
	2022/23	2021/22
PROFIT FOR THE FINANCIAL YEAR	**66,545**	67,771
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		
Item that will not be reclassified to profit or loss:		
Actuarial gain on remeasurement of defined benefit plan	**630**	73
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation of foreign operations	**(15,025)**	4,064
Net fair value adjustment on cash flow hedges	**(611)**	456
Share of other comprehensive income of associated/joint venture companies	**4,261**	1,893
	(11,375)	6,413
Other comprehensive (loss)/income, net of tax	**(10,745)**	6,486
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	**55,800**	74,257
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
OWNERS OF THE PARENT	**55,861**	74,039
Non-controlling interests	**(61)**	218
	55,800	74,257

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

BALANCE SHEETS

As at 31 March 2023 (in thousands of $)

	Notes	The Group		The Company	
		2023	2022	2023	2022
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	11	**420,044**	420,044	**420,044**	420,044
Treasury shares	12	**(4,971)**	(5,776)	**(4,971)**	(5,776)
Capital reserve	13	**(482)**	1,506	**(482)**	1,506
Share-based compensation reserve	13	**5,805**	5,110	**5,805**	5,110
Foreign currency translation reserve	13	**(35,351)**	(19,843)	**–**	–
Fair value reserve	13	**4,442**	92	**514**	1,125
Equity transaction reserve	13	**(2,173)**	(2,173)	**–**	–
General reserve	13	**1,278,845**	1,211,826	**830,720**	796,767
		1,666,159	1,610,786	**1,251,630**	1,218,776
NON-CONTROLLING INTERESTS		**10,579**	10,620	**–**	–
TOTAL EQUITY		**1,676,738**	1,621,406	**1,251,630**	1,218,776
NON-CURRENT LIABILITIES					
Deferred tax liabilities	14	**539**	545	**–**	–
Lease liabilities	31	**90,134**	38,424	**83,256**	32,721
Long-term bank loan	32	**462**	–	**–**	–
		91,135	38,969	**83,256**	32,721
		1,767,873	1,660,375	**1,334,886**	1,251,497
Represented by:					
PROPERTY, PLANT AND EQUIPMENT	15	**175,143**	156,901	**138,829**	120,457
RIGHT-OF-USE ASSETS	16	**112,382**	63,005	**104,464**	56,841
INTANGIBLE ASSETS	17	**40,778**	32,786	**19,564**	11,931
SUBSIDIARY COMPANIES	18	**–**	–	**143,245**	135,090
ASSOCIATED COMPANIES	20	**452,740**	448,469	**178,910**	175,275
JOINT VENTURE COMPANY	21	**232,564**	202,756	**61,867**	61,867
DEFERRED TAX ASSETS	14	**17,539**	17,603	**16,688**	16,598
PREPAYMENTS	24	**–**	3,891	**–**	–
CURRENT ASSETS					
Trade debtors	22	**34,151**	35,351	**23,785**	24,290
Contract assets	23	**160,304**	124,562	**149,100**	118,770
Prepayments and other debtors	24	**17,756**	36,870	**6,932**	27,320
Amounts owing by immediate holding company	25	**43,715**	36,465	**43,271**	36,130
Amounts owing by related parties	26	**18,442**	20,703	**24,760**	26,790
Inventories	27	**43,359**	32,994	**25,915**	21,140
Short-term deposits	28	**603,539**	584,007	**589,128**	570,081
Cash and bank balances	29	**29,450**	41,470	**12,271**	13,486
		950,716	912,422	**875,162**	838,007
Assets held for sale	15	**1,516**	360	**1,516**	360
		952,232	912,782	**876,678**	838,367
Less:					
CURRENT LIABILITIES					
Trade and other creditors	30	**162,025**	127,897	**140,175**	108,896
Contract liabilities	23	**21,510**	12,703	**20,760**	12,648
Lease liabilities	31	**22,570**	28,507	**20,569**	27,254
Amounts owing to related parties	26	**1,239**	1,456	**17,170**	11,670
Bank loans	32	**2,029**	2,801	**–**	–
Tax payable		**6,132**	4,454	**6,685**	4,461
		215,505	177,818	**205,359**	164,929
NET CURRENT ASSETS		**736,727**	734,964	**671,319**	673,438
		1,767,873	1,660,375	**1,334,886**	1,251,497

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2023 (in 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 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**
Profit for the year		–	–	–	–	–	–	–	**66,389**	**66,389**	**156**	**66,545**
Actuarial gain on remeasurement of defined benefit plan		–	–	–	–	–	–	–	**630**	**630**	–	**630**
Foreign currency translation of foreign operations		–	–	–	–	**(14,808)**	–	–	–	**(14,808)**	**(217)**	**(15,025)**
Net fair value adjustment on cash flow hedges		–	–	–	–	–	**(611)**	–	–	**(611)**	–	**(611)**
Share of other comprehensive income of associated/ joint venture companies	13	–	–	–	–	**(700)**	**4,961**	–	–	**4,261**	–	**4,261**
Other comprehensive income for the year, net of tax		–	–	–	–	**(15,508)**	**4,350**	–	**630**	**(10,528)**	**(217)**	**(10,745)**
Total comprehensive income for the financial year		–	–	–	–	**(15,508)**	**4,350**	–	**67,019**	**55,861**	**(61)**	**55,800**
Share-based compensation expense	13	–	–	–	**4,525**	–	–	–	–	**4,525**	–	**4,525**
Share awards released	12,13	–	**3,830**	–	**(3,830)**	–	–	–	–	–	–	–
Purchase of treasury shares	12	–	**(5,013)**	–	–	–	–	–	–	**(5,013)**	–	**(5,013)**
Treasury shares reissued pursuant to equity compensation plans	12	–	**1,988**	**(1,988)**	–	–	–	–	–	–	–	–
Dividends		–	–	–	–	–	–	–	–	–	**(1,150)**	**(1,150)**
Total contributions by and distributions to owners		–	**805**	**(1,988)**	**695**	–	–	–	–	**(488)**	**(1,150)**	**(1,638)**
Acquisition of a subsidiary with non-controlling interests	19	–	–	–	–	–	–	–	–	–	**1,170**	**1,170**
Total changes in ownerships interests in subsidiary		–	–	–	–	–	–	–	–	–	**1,170**	**1,170**
Balance at 31 March 2023		**420,044**	**(4,971)**	**(482)**	**5,805**	**(35,351)**	**4,442**	**(2,173)**	**1,278,845**	**1,666,159**	**10,579**	**1,676,738**

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2023 (in 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 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	13	–	–	–	–	(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	13	–	–	–	3,054	–	–	–	–	3,054	–	3,054
Share awards released	12,13	–	2,727	–	(2,727)	–	–	–	–	–	–	–
Treasury shares reissued pursuant to equity compensation plans	12	–	1,266	(1,266)	–	–	–	–	–	–	–	–
Dividends		–	–	–	–	–	–	–	–	–	(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 2023 (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 2022		**420,044**	**(5,776)**	**1,506**	**5,110**	**1,125**	**796,767**	**1,218,776**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**33,325**	**33,325**
Other comprehensive income for the year, net of tax:								
Actuarial gain on remeasurement of defined benefit plan		**–**	**–**	**–**	**–**	**–**	**628**	**628**
Net fair value adjustment on cash flow hedges		**–**	**–**	**–**	**–**	**(611)**	**–**	**(611)**
Total comprehensive income for the financial year		**–**	**–**	**–**	**–**	**(611)**	**33,953**	**33,342**
Share-based compensation expense	13	**–**	**–**	**–**	**4,525**	**–**	**–**	**4,525**
Share awards released	12,13	**–**	**3,830**	**–**	**(3,830)**	**–**	**–**	**–**
Purchase of treasury shares	12	**–**	**(5,013)**	**–**	**–**	**–**	**–**	**(5,013)**
Treasury shares reissued pursuant to equity compensation plans	12	**–**	**1,988**	**(1,988)**	**–**	**–**	**–**	**–**
Total contributions by and distributions to owners		**–**	**805**	**(1,988)**	**695**	**–**	**–**	**(488)**
Balance at 31 March 2023		**420,044**	**(4,971)**	**(482)**	**5,805**	**514**	**830,720**	**1,251,630**

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2023 (in 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	13	–	–	–	3,054	–	–	3,054
Share awards released	12,13	–	2,727	–	(2,727)	–	–	–
Treasury shares reissued pursuant to equity compensation plans	12	–	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.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 March 2023 (in thousands of $)

	Notes	The Group 2022/23	The Group 2021/22
NET CASH PROVIDED BY OPERATING ACTIVITIES	33	**64,609**	29,200
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure	15	**(48,599)**	(18,428)
Purchase of intangible assets	17	**(11,034)**	(4,861)
Proceeds from disposal of property, plant and equipment and intangible assets		**559**	1,572
Proceeds from disposal of an associated company, net of cash disposed of		**–**	3,814
Acquisition of subsidiary, net of cash acquired	19	**(4,657)**	–
Dividends received from associated companies		**36,734**	31,881
Interest received from deposits		**7,537**	1,771
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		**(19,460)**	15,749
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid by subsidiary companies to non-controlling interests		**(1,150)**	(391)
Proceeds from issuance of share capital by a subsidiary company to non-controlling interests		**–**	200
Finance charges paid	33	**(61)**	(270)
Repayment of lease liabilities	31,33	**(30,443)**	(28,147)
Proceeds from borrowings	33	**3,207**	–
Repayment of borrowings	33	**(3,645)**	(7,135)
Purchase of treasury shares	12	**(5,013)**	–
NET CASH USED IN FINANCING ACTIVITIES		**(37,105)**	(35,743)
NET CASH INFLOW		**8,044**	9,206
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		**625,477**	615,964
Effect of exchange rate changes		**(532)**	307
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		**632,989**	625,477
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Short-term deposits	28	**603,539**	584,007
Cash and bank balances	29	**29,450**	41,470
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		**632,989**	625,477

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

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 2023 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 inventory technical management, the provision of line maintenance and technical ground handling services and investment holdings. The principal activities of the subsidiary companies are disclosed in Note 18 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 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 8 May 2023.

2. 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"), except as explained in Note 2(b) which addresses changes in accounting policies –

(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.

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 2022:

- *COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)*
- *Reference to the Conceptual Framework (Amendments to IFRS 3)*
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)*
- *Annual improvements to IFRSs 2018-2020*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies (continued)

New standards and amendments (continued)

Other than the amendments relating to *IAS 37: Onerous Contracts – Cost of Fulfilling a Contract*, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

Adoption of *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)*

The Group has adopted Amendments to *IAS 37: Onerous Contracts – Cost of Fulfilling a Contract* from 1 April 2022. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Group has analysed all contracts existing at 1 April 2022 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at 1 April 2022 as a result of the change.

(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 2024 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	1 April 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 April 2023
Definition of Accounting Estimates (Amendments to IAS 8)	1 April 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 April 2023

The Group and the Company are in the process of assessing the impact of the new IFRSs, interpretations and amendments to new IFRSs on its financial statements. The application of these amendments to standards and interpretations is not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation (continued)

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 2(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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Subsidiary, associated and joint venture companies (continued)

An associated company is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

A joint venture company is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group accounts for its investments in associated and joint venture companies using the equity method, initially at cost, including transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of associated and joint venture companies, until the date on which significant influence or joint control ceases. Dividends reduce the carrying amounts of the investments.

When the Group's share of losses in an associated or joint venture company equals or exceeds its interest in the associated or joint venture company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated or joint venture company.

The most recently available audited financial statements of the associated and joint venture companies are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period. 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.

(f) Intangible assets

Computer software

Acquired computer software is stated at cost less accumulated amortisation and accumulated impairment losses.

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.

(f) Intangible assets (continued)

Goodwill (continued)

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

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.

Assets under construction 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Foreign currencies (continued)

Foreign currency transactions (continued)

The foreign currency gain or loss on monetary assets and liabilities is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency re-translated at the exchange rate at the end of the year.

Foreign currency differences are recognised in 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.

(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 2(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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.

Assets under construction 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

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases (continued)

(i) As a lessee (continued)

Lease liability

The initial measurement of lease liability is measured at the present value of the unpaid lease payments discounted using the implicit rate in the lease, or if the rate cannot be easily determined, the Group shall use its incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining 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.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases (continued)

(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 2(l)).

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

(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.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial instruments (continued)

(v) Impairment (continued)

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.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or 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.

2. 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Taxation (continued)

(ii) Deferred tax

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Revenue (continued)

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 inventory technical management.

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 is 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 inventory technical management, 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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 11 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.

2. 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, Malaysia 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.

2. 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 2023

3. SIGNIFICANT ACCOUNTING ESTIMATES AND CRITICAL JUDGEMENTS

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income 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 aggregated carrying amounts of the Group's and Company's trade receivables, contract assets and amounts owing by related parties as at 31 March 2023 were approximately $212,897,000 (2022: $180,616,000) and $197,645,000 (2022: $169,850,000), 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 2023 was approximately $83,823,000 (2022: $58,460,000) and $79,184,000 (2022: $54,112,000) 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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND CRITICAL JUDGEMENTS (continued)

(c) Income taxes (continued)

The carrying amounts of the Group's current tax payable and deferred tax liabilities as at 31 March 2023 were approximately $6,132,000 (2022: $4,454,000) and $539,000 (2022: $545,000) respectively.

The carrying amounts of the Company's current tax payable as at 31 March 2023 was approximately $6,685,000 (2022: $4,461,000).

(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 2023 were approximately $160,304,000 (2022: $124,562,000) and $149,100,000 (2022: $118,770,000) 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 2023 were approximately $112,382,000 (2022: $63,005,000) and $104,464,000 (2022: $56,841,000), respectively. The carrying amounts of the Group's and Company's lease liabilities as at 31 March 2023 were approximately $112,704,000 (2022: $66,931,000) and $103,825,000 (2022: $59,975,000), respectively.

(f) Impairment of non-financial assets

Management performs impairment testing for the following items:

- Property, plant and equipment (refer to Note 15);
- Right-of-use assets;
- Intangible assets, relating to engine development costs (refer to Note 17); 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 disposal value following sale confirmation of the highest bidder from a request-for-bid ("RFB") exercise carried out during the year.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

4. REVENUE (IN THOUSANDS OF $)

	The Group	
	2022/23	2021/22
Airframe overhaul and line maintenance	**644,898**	465,770
Engine and component	**151,072**	100,316
	795,970	566,086

With effect from 1 April 2022, component shop and inventory technical management units previously presented as part of Airframe and line maintenance were integrated into the newly set-up Component Services Division to position the Group for recovery and growth in demand for component MRO business. The new division is presented as part of the engine and component segment. Accordingly, the comparative figures for the financial year ended 31 March 2022 have been restated.

(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		Engine and component		Total	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Primary geographical markets						
East Asia	**487,012**	369,752	**105,617**	79,337	**592,629**	449,089
Europe	**67,829**	52,078	**21,439**	4,520	**89,268**	56,598
South West Pacific	**15,971**	3,182	**2,585**	1,666	**18,556**	4,848
Americas	**44,554**	22,114	**18,033**	12,843	**62,587**	34,957
West Asia and Africa	**29,532**	18,644	**3,398**	1,950	**32,930**	20,594
	644,898	465,770	**151,072**	100,316	**795,970**	566,086
Major service line						
Services rendered	**644,898**	465,770	**151,072**	100,316	**795,970**	566,086
Timing of revenue recognition						
Transferred over time	**644,898**	465,770	**151,072**	100,316	**795,970**	566,086

(b) Transaction price allocated to the remaining performance obligations

As at 31 March 2023, the revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date for inventory technical management amounts to approximately $151,000,000 (2021/22: $111,000,000) for financial periods 2023/24 to 2025/26 (2021/22: 2022/23 to 2024/25).

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.

5. STAFF COSTS (IN THOUSANDS OF $)

	The Group	
	2022/23	2021/22
Salary, bonuses and other costs	**377,238**	238,263
CPF and other defined contributions	**44,444**	40,072
Share-based compensation expense	**4,726**	3,810
	426,408	282,145

The Group contributes to unfunded, non-contributory, defined benefit plans for some of the regular employees. Defined benefit expenses for the Group were approximately $160,000 (2021/22: $708,000). 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 11.

During the year, staff costs were offset by the following items:

(a) $11,894,000 (2021/22: $71,929,000) of wage support grants extended by the Singapore Government, measured at 10-50% of the qualifying wages recorded by group entities in Singapore; and

(b) $Nil (2021/22: $5,249,000) 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.

6. OPERATING LOSS (IN THOUSANDS OF $)

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

	The Group	
	2022/23	2021/22
Impairment loss (reversal)/allowance for trade receivables, contract assets and amounts owing by related parties	**(2,106)**	93
Net exchange loss/(gain) *	**1,491**	(473)
Provision for obsolete stocks, net	**2,448**	2,971
Equipment costs	**40,046**	31,707
Professional fee paid to a firm in which a director is a member	**40**	136
Audit fees		
– Auditors of the Company	**302**	283
– Other auditors	**18**	17
Non-audit fees		
– Auditors of the Company #	**20**	126

* Amount includes a net fair value loss on forward currency contracts used for hedging purposes of approximately $8,000 (2021/22: net fair value gain of $64,000), which was realised in the current financial year. Disclosures relating to fair value changes on derivative financial instruments are in Note 13.

\# In the prior year, amount includes professional fees relating to the establishment of the Group's Euro Medium Term Note Programme (Note 36 (d)) approximately $95,000.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

7. INTEREST INCOME (IN THOUSANDS OF $)

	The Group	
	2022/23	2021/22
Deposits placed with immediate holding company	**11,638**	1,701
Deposits placed with banks	**633**	115
	12,271	1,816

8. TAXATION (IN THOUSANDS OF $)

The major components of taxation for the years ended 31 March 2023 and 2022 are as follows:

	The Group	
	2022/23	2021/22
Current tax		
Provision for the financial year	**197**	(1,159)
Over-provision in respect of prior years	**874**	1,492
	1,071	333
Deferred tax		
Movement in temporary differences	**(1,457)**	11,956
Over-provision in respect of prior years	**1,382**	6,322
	(75)	18,278
Taxation recognised in profit or loss	**996**	18,611

Deferred tax related to other comprehensive income:

	The Group	
	2022/23	2021/22
Net change in the fair value of derivative financial instruments designated as cash flow hedges	**(125)**	93
Actuarial gain on revaluation of defined benefit plans	**129**	–

8. TAXATION (IN THOUSANDS OF $) (continued)

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

	The Group	
	2022/23	2021/22
Profit before taxation	**65,549**	49,160
Less: share of results of associated and joint venture companies	**(77,814)**	(79,092)
	(12,265)	(29,932)
Taxation at statutory tax rate of 17.0%	**2,085**	5,088
Adjustments		
Income not subject to tax	**1,188**	14,958
Deferred tax assets not recognised	**(268)**	(5,115)
Expenses not deductible for tax purposes	**(5,277)**	(5,125)
Effects of difference in tax rates of other countries	**721**	458
Over-provision in relation to prior years	**2,256**	7,814
(Provision)/Writeback of withholding tax expense	**(108)**	37
Tax incentives	**(36)**	63
Others	**435**	433
Taxation	**996**	18,611

9. EARNINGS PER SHARE

	The Group	
	2022/23	2021/22
Profit attributable to owners of the parent (in thousands of $)	**66,389**	67,608
Weighted average number of ordinary shares in issue used for computing basic earnings per share *	**1,122,872,605**	1,122,234,361
Adjustment for dilutive potential ordinary shares	**4,355,127**	3,954,714
Weighted average number of ordinary shares in issue used for computing diluted earnings per share	**1,127,227,732**	1,126,189,075
Basic earnings per share (cents)	**5.91**	6.02
Diluted earnings per share (cents)	**5.89**	6.00

* 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 per share is calculated by dividing the profit 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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

10. DIVIDENDS PAID AND PROPOSED (IN THOUSANDS OF $)

No dividend was paid in 2022/23 and 2021/22.

The directors propose a final tax exempt (one-tier) dividend of 5.5 cents per share amounting to approximately $61,709,000 to be paid for the financial year ended 31 March 2023. No tax exempt (one-tier) dividends were proposed for the financial year ended 31 March 2022.

11. SHARE CAPITAL (IN THOUSANDS OF $)

	The Group and Company			
	Number of shares		Amount	
	2023	2022	2023	2022
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 and deferred share award were settled by way of issuance of 1,628,003 (2021/22: 1,109,033) 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.

11. 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.	The Initial Award will vest with 1/3 vesting immediately upon the date of grant, and the balance at 1/3 over the next two years. Balance will vest equally over the subsequent two years with fulfilment of service requirements. 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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

11. 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 1.4.2022/ date of grant	Adjustments *	Cancelled	Released	Balance at 31.3.2023
05.07.2019	258,877	–	(1,600)	(257,277)	–
07.07.2020	801,673	–	(14,316)	(434,595)	352,762
04.01.2021	5,005	–	–	–	5,005
07.07.2021	1,242,618	141,910	(54,818)	(509,052)	820,658
05.11.2021	11,000	–	–	–	11,000
07.07.2022	1,258,888	–	(33,913)	–	1,224,975
25.01.2023	4,700	–	–	–	4,700
	3,582,761	141,910	(104,647)	(1,200,924)	2,419,100

* 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 1.4.2022/ date of grant	Adjustments *	Cancelled	Released	Balance at 31.3.2023
05.07.2019	273,400	(220,424)	–	(52,976)	–
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
07.07.2022	357,500	–	–	–	357,500
25.01.2023	4,000	–	–	–	4,000
	1,420,200	(220,424)	–	(52,976)	1,146,800

* 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 1.4.2022/ date of grant	Adjustments *	Cancelled	Released	Balance at 31.3.2023
05.07.2019	173,278	7,925	–	(181,203)	–
07.07.2020	155,616	–	–	–	155,616
07.07.2021	247,947	–	–	–	247,947
07.07.2022	578,564	–	–	(192,900)	385,664
	1,155,405	7,925	–	(374,103)	789,227

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

11. 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 January 2023, July 2022, July 2021 and January 2021 award:

	January 2023 Award		July 2022 Award		
	RSP	PSP	RSP	PSP	DSA
Expected dividend yield (%)	Management's forecast in line with dividend policy				
Expected volatility (%)	33.88	33.88	33.73	33.73	24.5-28.10
Risk-free interest rate (%)	3.06 – 4.01	3.06	2.52 – 2.61	2.61	2.52-2.55
Expected term (years)	1.00 – 3.00	3.00	1.00 – 3.00	3.00	2.00
Share price at date of grant ($)	2.48	2.48	2.40	2.40	2.40

	July 2021 Award			January 2021 Award	
	RSP	PSP	DSA	RSP	PSP
Expected dividend yield (%)	Management's forecast in line with dividend policy				
Expected volatility (%)	33.68	33.68	33.68	31.28	31.28
Risk-free interest rate (%)	0.33 – 0.72	0.72	0.72	0.29 – 0.33	0.31
Expected term (years)	1.00 – 3.00	3.00	3.00	0.50 – 2.50	2.50
Share price at date of grant ($)	2.20	2.20	2.20	1.99	1.99

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 $2.16 to $2.33 (2021/22: $1.93 to $2.10), the estimated fair value at date of grant for each share granted under the PSP is $2.53 (2021/22: $2.22) and the estimated fair value at date of grant for each share granted under the DSA is $2.25 to $2.40 (2021/22: $1.93).

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.

11. SHARE CAPITAL (IN THOUSANDS OF $) (continued)

Share-based incentive plans (continued)

The number of contingent shares granted but not released as at 31 March 2023, were 2,419,100 (2022: 2,319,173), 1,146,800 (2022: 1,058,700) and 789,227 (2022: 576,841) 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 3,033,938 (2022: 2,945,982), 2,293,600 (2022: 2,117,400) and 789,227 (2022: 576,841) fully-paid ordinary shares for RSP, PSP and DSA respectively.

For the current financial year, the Group has provided approximately $4,726,000 (2021/22: $3,810,000) 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.

The amounts recognised in profit or loss for share-based compensation transactions with employees are as follows:

	The Group and Company	
	2022/23	2021/22
Share-based compensation expense		
– Restricted share plan	**2,517**	2,453
– Performance share plan	**842**	899
– Deferred share award	**1,367**	458
	4,726	3,810

12. TREASURY SHARES (IN THOUSANDS OF $)

	The Group and Company 31 March	
	2023	2022
Balance at 1 April	**(5,776)**	(9,769)
Purchase of treasury shares	**(5,013)**	–
Treasury shares reissued pursuant to equity compensation plans:		
– RSP/PSP/DSA awarded	**3,830**	2,727
– Loss on reissuance of treasury shares	**1,988**	1,266
	5,818	3,993
Balance at 31 March	**(4,971)**	(5,776)

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

During the financial year, the Company purchased 2,150,000 (2021/22: Nil) of its ordinary shares by way of on-market purchases at share prices ranging from $2.12 to $2.51 (2021/22: Nil). The total amount paid to purchase the shares was approximately $5,013,000 (2021/22: Nil) and this is presented as a component within equity attributable to owners of the Parent.

The Company transferred 1,628,003 treasury shares to employees on vesting of share-based incentive plans (2021/22: 1,109,033) on vesting of share-based incentive plans. The number of treasury shares as at 31 March 2023 was 2,126,738 (2022: 1,604,741).

13. 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.

(c) Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising from the translation of the financial statements of subsidiaries, joint venture and associated companies 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 2023	2022
Balance at 1 April	**92**	(2,300)
Net (loss)/gain on fair value adjustment	**(619)**	520
Recognised in "other operating expenses" in profit or loss on occurrence of forecast transactions	**8**	(64)
Share of other comprehensive income of a joint venture company	**4,961**	1,936
Balance at 31 March	**4,442**	92

	The Company 31 March 2023	2022
Balance at 1 April	**1,125**	669
Net (loss)/gain on fair value adjustment	**(619)**	520
Recognised in "other operating expenses" in profit or loss on occurrence of forecast transactions	**8**	(64)
Balance at 31 March	**514**	1,125

(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.

14. 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	
	2023	2022	2022/23	2021/22	2023	2022
Deferred tax liabilities						
Differences in depreciation of property, plant and equipment	**15,113**	14,130	**983**	(7,152)	**14,137**	13,536
Revaluation of forward currency contracts to fair value #	**105**	230	**–**	–	**105**	230
Undistributed profits of overseas associated companies	**282**	174	**108**	(37)	**–**	–
Other items	**22**	22	**–**	–	**–**	–
Deferred tax assets						
Actuarial loss on revaluation of defined benefit plans ##	**(385)**	(514)	**–**	–	**(385)**	(514)
Provisions	**(3,735)**	(4,283)	**548**	1,199	**(3,792)**	(4,283)
Unabsorbed capital allowances and tax losses	**(27,430)**	(26,187)	**(1,243)**	(12,025)	**(26,753)**	(25,567)
Other items	**(972)**	(630)	**(321)**	(263)	**–**	–
	(17,000)	(17,058)			**(16,688)**	(16,598)
Deferred income tax credit/ (expense)			**75**	(18,278)		

As at 31 March 2023, the Group and Company have deferred tax effects of changes in fair value of derivative financial instruments of approximately $125,000 (2021/22: $93,000) which were recognised in other comprehensive income (Refer to Note 8).
As at 31 March 2023, the Group and Company have deferred tax effects of actuarial loss on revaluation of defined benefit plans of approximately $129,000 (2021/22: $Nil) which were recognised in other comprehensive income (Refer to Note 8).

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 $1,243,000 recognised during the year (2021/22: $12,025,000) 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 2023, the Group has remaining unrecognised tax losses of approximately $161,796,000 (2022: $157,627,000) 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 2023, the unremitted earnings aggregated to $15,389,000 (2022: $16,663,000), and the deferred tax liability effect is $4,617,000 (2022: $4,999,000).

15. 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	Assets under construction #	Total
The Group							
Cost							
At 1 April 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
Acquisitions through business combinations	–	430	–	129	–	–	559
Additions	951	4,168	36,969	670	360	5,481	48,599
Transfers	16	464	8	3,940	–	(4,428)	–
Disposals	(1)	(2,301)	(192)	(939)	(149)	–	(3,582)
Exchange differences	(830)	(654)	(106)	(90)	(38)	(29)	(1,747)
At 31 March 2023	**294,830**	**297,619**	**132,186**	**73,072**	**8,497**	**4,704**	**810,908**
Accumulated depreciation and impairment losses							
At 1 April 2021	200,817	251,948	69,079	57,726	6,591	–	586,161
Depreciation	7,991	14,375	3,912	4,654	591	–	31,523
Disposals	–	(6,284)	(642)	(654)	(227)	–	(7,807)
Exchange differences	110	145	26	13	7	–	301
At 31 March 2022	208,918	260,184	72,375	61,739	6,962	–	610,178
Depreciation	8,345	11,540	5,005	4,741	572	–	30,203
Disposals	(1)	(2,313)	(124)	(937)	(149)	–	(3,524)
Exchange differences	(334)	(599)	(86)	(47)	(26)	–	(1,092)
At 31 March 2023	**216,928**	**268,812**	**77,170**	**65,496**	**7,359**	**–**	**635,765**
Net book value							
At 31 March 2022	85,776	35,328	23,132	7,623	1,362	3,680	156,901
At 31 March 2023	**77,902**	**28,807**	**55,016**	**7,576**	**1,138**	**4,704**	**175,143**

15. 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	Assets under construction #	Total
The Company							
Cost							
At 1 April 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
Additions	(1)	2,682	36,801	117	40	4,856	44,495
Transfers	16	463	–	3,940	–	(4,419)	–
Disposals	–	(2,089)	(116)	(715)	(149)	–	(3,069)
At 31 March 2023	**247,639**	**255,013**	**126,471**	**69,667**	**6,295**	**3,574**	**708,659**
Accumulated depreciation and impairment losses							
At 1 April 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
Depreciation	6,499	10,111	4,718	4,381	369	–	26,078
Disposals	–	(2,087)	(73)	(715)	(149)	–	(3,024)
At 31 March 2023	**199,172**	**229,754**	**72,546**	**62,713**	**5,645**	**–**	**569,830**
Net book value							
At 31 March 2022	54,951	32,227	21,885	7,278	979	3,137	120,457
At 31 March 2023	**48,467**	**25,259**	**53,925**	**6,954**	**650**	**3,574**	**138,829**

Assets under construction comprise mainly plant, equipment and engine overhaul tooling (2022: plant, equipment and engine overhaul tooling).

<u>Assets held for sale</u>

Assets held for sale consist of aircraft rotable spares for specific aircraft types. During the year, Management approved the sale of these aircraft rotable spares and recognised a revaluation gain of $1,678,000 in current year's profit or loss, following sale confirmation from a third-party bidder with a disposal value of approximately $2,021,000. The committed sale is expected to occur in tranches and be fully realised in the next financial year. The expected disposal value represents the fair value less costs to sell under the Group's accounting policy in Note 3(p).

The fair value of aircraft rotable spares falls under level 3 of fair value hierarchy.

15. 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 2021	9,026
Write-down	(8,405)
Disposal during the year	(261)
Balance as at 31 March 2022	360
Revaluation gain	1,678
Disposal during the year	(522)
Balance as at 31 March 2023	**1,516**

Impairment test

During the year, the aviation and MRO industry saw improvements in flight operations and work volumes owing to the opening of borders and lifting of global travel restrictions. However, the market conditions remained uncertain, driven by post-pandemic challenges such as supply chain disruptions, labour shortages and inflationary pressures. Accordingly, there were indications 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, improved operational and financial performance through revision of service agreements with their customers and progressive implementation of transformation programmes, with gradual improvement in cash flows over the cash flow periods. The Group applied a pre-tax rate of 8.4% (2021/22: 9.0%) 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 previous year of $35,000,000 (2021/22: $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 9.6% – 13.0% are applied to reflect the forecasting risk error over the cash flow projections, the reduction in recoverable amount ranges from $5.8 million to $19.0 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.

16. 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 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
Additions	73,635	3,570	38	550	77,793
Acquisitions through business combinations	1,301	–	–	–	1,301
Derecognition of right-of-use assets	(396)	–	–	–	(396)
Depreciation	(28,172)	(640)	(100)	(155)	(29,067)
Exchange differences	(239)	(1)	–	(14)	(254)
At 31 March 2023	**108,014**	**3,804**	**76**	**488**	**112,382**
The Company					
At 1 April 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
Additions	71,287	3,524	33	52	74,896
Derecognition of right-of-use assets	(396)	–	–	–	(396)
Depreciation	(26,209)	(597)	(48)	(23)	(26,877)
At 31 March 2023	**100,593**	**3,712**	**82**	**77**	**104,464**

17. INTANGIBLE ASSETS (IN THOUSANDS OF $)

	Computer software	Engine development costs	Assets under construction #	Goodwill	Total
The Group					
Cost					
At 1 April 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
Additions	26	–	11,008	–	11,034
Acquisitions through business combinations	–	–	449	1,566	2,015
Transfers	6,916	–	(6,916)	–	–
Disposals	(57)	(34)	–	–	(91)
Exchange differences	(24)	(618)	(25)	–	(667)
At 31 March 2023	**59,269**	**44,606**	**9,906**	**1,566**	**115,347**
Accumulated amortisation and impairment losses					
At 1 April 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
Amortisation	3,144	1,538	–	–	4,682
Disposal	(57)	–	–	–	(57)
Exchange differences	(24)	(302)	–	–	(326)
At 31 March 2023	**48,775**	**25,794**	**–**	**–**	**74,569**
Net book value					
At 31 March 2022	6,696	20,700	5,390	–	32,786
At 31 March 2023	**10,494**	**18,812**	**9,906**	**1,566**	**40,778**

Assets under construction comprise mainly computer software (2022: computer software).

Impairment testing of 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").

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 35 years (2022: 36 years). The pre-tax discount rate applied to cash flow projections is 8.0% (2022: 8.0%).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

17. INTANGIBLE ASSETS (IN THOUSANDS OF $) (continued)

Impairment testing of engine development costs (continued)

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.

Impairment testing of goodwill

This relates to the goodwill arising from acquisition of subsidiary in the current financial year. The Company tests goodwill at each financial year end for impairment, or more frequently if there are indications that goodwill is impaired.

The estimated recoverable amount of the CGU was determined based on value-in-use calculations using cash flow projections from financial forecast approved by Management covering a five-year period. The pre-tax discount rate and forecast long-term growth rate applied to the cash flow projection is 8.0% and 4.0% respectively. Under these assumptions, the estimated recoverable amount of the CGU is in excess of its net carrying value, no impairment loss is considered necessary for the current year.

	Computer software	Assets under construction #	Total
The Company			
Cost			
At 1 April 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
Additions	(10)	10,714	10,704
Transfers	6,916	(6,916)	–
Disposals	(17)	–	(17)
At 31 March 2023	**57,482**	**9,188**	**66,670**
Accumulated amortisation			
At 1 April 2021	42,728	–	42,728
Amortisation	1,929	–	1,929
Disposals	(605)	–	(605)
At 31 March 2022	44,052	–	44,052
Amortisation	3,071	–	3,071
Disposals	(17)	–	(17)
At 31 March 2023	**47,106**	**–**	**47,106**
Net book value			
At 31 March 2022	6,541	5,390	11,931
At 31 March 2023	**10,376**	**9,188**	**19,564**

Assets under construction comprise mainly computer software (2022: computer software).

18. SUBSIDIARY COMPANIES (IN THOUSANDS OF $)

	The Company 31 March 2023	2022
Unquoted shares, at cost	**161,838**	156,157
Loan to a subsidiary company	**13,294**	8,120
Accumulated impairment loss	**(31,887)**	(29,187)
	143,245	135,090

(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 2023	Cost 2022	Percentage equity held by the Group 2023	Percentage equity held by the Group 2022
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	**5,315**	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

18. 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 2023	Cost 2022	Percentage equity held by the Group 2023	Percentage equity held by the Group 2022
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**	2,700	**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
Asia Pacific Aircraft Component Services Sdn. Bhd. (f.k.a. SR Technics Malaysia Sdn Bhd) ^	Provide airframe maintenance and component overhaul services	Malaysia	**5,077**	–	**75**	–

* Audited by KPMG LLP, Singapore
** Not required to be audited by KPMG LLP, Singapore in current year
^ 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 acquired 75% of the shares and voting interests in Asia Pacific Aircraft Component Services Sdn. Bhd. ("APACS") on 31 May 2022 (See Note 19).

2. The Company invested approximately S$604,000 in SIA Engineering Japan Corporation ("SIAEJ").

3. During the year, the Company conducted an impairment review on the expected recoverable amount of its investment in a subsidiary company, Additive Flight Solutions Pte. Ltd. ("AFS"). Due to its continued loss-making position since incorporation, a full impairment loss of $2,700,000 was recognised against the cost of investment at 31 March 2023. Management assumed nil recoverable amount as AFS is in a net liability position with the fair value of net liabilities comprising predominantly monetary assets and liabilities.

4. The loan extended to a subsidiary company bears interest ranging from 2.76% to 7.25% (2021/22: 2.02% to 2.89%) per annum. The loan is non-trade related, unsecured and repayable in tranches till maturity date 31 March 2025.

18. SUBSIDIARY COMPANIES (IN THOUSANDS OF $) (continued)

(a) Composition of the Group (continued)

In the prior year:

1. The Company invested approximately S$300,000 in Additive Flight Solutions Pte Ltd ("AFS").

Movements in allowance for impairment loss

	The Company 31 March 2023	The Company 31 March 2022
At 1 April	**(29,187)**	(29,187)
Impairment loss	**(2,700)**	–
At 31 March	**(31,887)**	(29,187)

(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 2023 %	Ownership interests held by NCI 2022 %
Aerospace Component Engineering Services Pte. Limited	Singapore	Engine and component	**49**	49

18. 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 2023	Aerospace Component Engineering Services Pte. Limited 31 March 2022
Summarised balance sheet		
Current		
Assets	**18,819**	18,713
Liabilities	**(3,548)**	(2,333)
Net current assets	**15,271**	16,380
Non-Current		
Assets	**5,583**	5,928
Liabilities	**(1,306)**	(1,478)
Net non-current assets	**4,277**	4,450
Net assets	**19,548**	20,830
Summarised statement of comprehensive income		
Revenue	**20,854**	14,724
Profit before income tax	**1,745**	1,395
Taxation	**(361)**	(63)
Profit after tax and total comprehensive income	**1,384**	1,332
Other summarised information		
Net cash flow from operations	**866**	1,864
Acquisition of significant property, plant and equipment	**(614)**	(625)

19. ACQUISITION OF SUBSIDIARY (IN THOUSANDS OF $)

On 31 May 2022, the Group acquired 75% of the shares and voting interests in Asia Pacific Aircraft Component Services Sdn. Bhd. (formerly known as SR Technics Malaysia Sdn Bhd) ("APACS"). As a result, APACS became a subsidiary of the Group.

The Group aims to create synergies and bring about new capabilities for more than 750 distinct aircraft parts to enhance its existing component repair and overhaul services and inventory technical management programme through the acquisition of APACS.

For the 10 months ended 31 March 2023, APACS contributed revenue of $10,336,000 and losses of approximately $1,000 to the Group's results.

19. ACQUISITION OF SUBSIDIARY (IN THOUSANDS OF $) (continued)

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	2023
Cash	4,979
Deferred consideration	98
Total cash purchase consideration	5,077

Deferred consideration

A retention sum of $512,000 was initially held by the Group as security as at the date of acquisition in which any breach of obligations committed may be deducted against this amount and will be paid to the selling shareholder six months from acquisition completion. $414,000 was paid to the selling shareholder during the year. As at 31 March 2023, a retention sum of $98,000 continued to be withheld by the Group as security for obligations yet to be fulfilled. This amount will be paid to the selling shareholder in the next 12 months should all remaining obligations be fulfilled.

The net cash outflow on acquisition of subsidiary was as follows:

	2023
Purchase consideration in cash	4,979
Less: Cash and cash equivalents acquired	(322)
Net cash outflow on acquisition of subsidiary	4,657

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	Note	As at date of acquisition
Property, plant and equipment	15	559
Right-of-use assets	16	1,301
Intangible assets	17	449
Trade receivables		1,174
Inventories		2,766
Cash and cash equivalents		322
Trade and other payables		(1,890)
Total identifiable net assets		4,681
Less: Non-controlling interests		(1,170)
Goodwill arising from acquisition	17	1,566
Total purchase consideration		5,077

19. ACQUISITION OF SUBSIDIARY (IN THOUSANDS OF $) (continued)

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Asset required	Valuation technique
Property, plant and equipment	*Market comparison technique and cost technique*: The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Inventories	*Cost technique:* The valuation model considers replacement cost, adjusted for functional and economic obsolescence when appropriate.

Goodwill

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

	As at date of acquisition
Total consideration transferred	5,077
Non-controlling interests	1,170
Fair value of identifiable net assets	(4,681)
Goodwill	1,566

20. ASSOCIATED COMPANIES (IN THOUSANDS OF $)

	The Group		The Company	
	2023	2022	2023	2022
Unquoted shares, at cost	**216,379**	216,379	**216,379**	216,379
Share of post-acquisition reserves	**347,701**	335,890	**–**	–
Share of other comprehensive income	**67**	768	**–**	–
Goodwill written-off to reserves	**(24,398)**	(24,398)	**–**	–
Translation adjustment	**(86,663)**	(77,819)	**–**	–
Accumulated Impairment loss	**(346)**	(2,351)	**(37,469)**	(41,104)
	452,740	448,469	**178,910**	175,275

20. ASSOCIATED COMPANIES (IN THOUSANDS OF $) (continued)

The associated companies at 31 March are as follows:

Name of company	Principal activities	Country of incorporation and place of business	Cost 2023	Cost 2022	Percentage equity held by the Group 2023	Percentage equity held by the Group 2022
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
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

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20. ASSOCIATED COMPANIES (IN THOUSANDS OF $) (continued)

Name of company	Principal activities	Country of incorporation and place of business	Cost 2023	Cost 2022	Percentage equity held by the Group 2023	Percentage equity held by the Group 2022
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
Turbine Coating Services Pte Ltd # +	Repair and overhaul of aircraft engine turbine airfoils	Singapore	**5,671**	5,671	**24.5**	24.5
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

@ 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 Ernst & Young LLP, Indonesia
^^ Not required to be audited by Deloitte & Touche, Singapore in current financial year in view of ceased operations
+ Financial year end 30 November
++ Financial year end 31 December

During the financial year:

1. Boeing Asia Pacific Aviation Services Pte. Ltd ("BAPAS") ceased operations amidst challenges arising from the changing business environment. Management has reassessed the recoverable amount of BAPAS based on its available cash balance for distribution to shareholders upon closure. Accordingly, the Group and the Company wrote back impairment losses of $2,005,000 and $3,635,000 respectively.

In the prior year:

1. 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.

2. The Group and Company wrote down the carrying value of its investment in Boeing Asia Pacific Aviation Services Pte. Ltd ("BAPAS") to its expected realisable value of net assets comprising predominantly monetary assets and liabilities and recorded additional impairment losses of $2,351,000 and $15,291,000 (2021: $Nil and $25,813,000) respectively.

20. ASSOCIATED COMPANIES (IN THOUSANDS OF $) (continued)

Movements in allowance for impairment loss

	The Group 2023	The Group 2022	The Company 2023	The Company 2022
At 1 April	**(2,351)**	(2,744)	**(41,104)**	(28,870)
Impairment loss reversed	**2,005**	2,744	**3,635**	3,066
Impairment loss recognised	**–**	(2,351)	**–**	(15,300)
At 31 March	**(346)**	(2,351)	**(37,469)**	(41,104)

The carrying amount of the material investment is as follows:

	The Group 31 March 2023	The Group 31 March 2022
Eagle Services Asia Private Limited ("ESA")	**265,450**	253,523
Other associated companies	**187,290**	194,946
	452,740	448,469

The activities of ESA complement the Group's activities.

No dividends were received from ESA in 2022/23 (2021/22: $Nil).

Summarised financial information in respect of ESA is as follows:

	31 March 2023	31 March 2022
Summarised balance sheet		
Funds employed:		
Current assets	**912,073**	703,434
Non-current assets	**119,661**	134,965
	1,031,734	838,399
Current liabilities	**(474,886)**	(303,003)
Non-current liabilities	**(15,112)**	(18,001)
	541,736	517,395
Financed by:		
Shareholders' equity	**541,736**	517,395

	2022/23	2021/22
Summarised statement of comprehensive income		
Revenue	**1,604,001**	1,631,391
Profit after taxation from continuing operations	**34,546**	56,632
Total comprehensive income	**34,546**	56,632

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.

20. ASSOCIATED COMPANIES (IN THOUSANDS OF $) (continued)

A reconciliation of the summarised financial information to the carrying amounts of ESA is as follows:

	The Group 31 March 2023	The Group 31 March 2022
Group's share of 49% of net assets	**265,450**	253,523

The remaining financial information about the Group's investment in associated companies that are not individually material.

The Group's share of the assets and liabilities comprises:

	The Group 31 March 2023	The Group 31 March 2022
Summarised balance sheet		
Funds employed:		
Current assets	**238,159**	201,558
Non-current assets	**21,316**	86,705
	259,475	288,263
Current liabilities	**(65,077)**	(85,709)
Non-current liabilities	**(10,119)**	(10,619)
	184,279	191,935
Financed by:		
Shareholders' equity	**184,279**	191,935

The Group's share of the results is as follows:

	The Group 2022/23	The Group 2021/22
Summarised statement of comprehensive income		
Profit after tax from continuing operations	**31,617**	21,946
Other comprehensive income	**(700)**	(43)
Total comprehensive income	**30,917**	21,903

21. JOINT VENTURE COMPANY (IN THOUSANDS OF $)

	The Group 31 March 2023	The Group 31 March 2022	The Company 31 March 2023	The Company 31 March 2022
Unquoted shares, at cost	**61,867**	61,867	**61,867**	61,867
Share of post-acquisition reserves	**190,944**	161,674	**–**	–
Share of other comprehensive income	**3,928**	(1,033)	**–**	–
Translation adjustment	**(24,175)**	(19,752)	**–**	–
	232,564	202,756	**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 2023	Cost 2022	Percentage equity held by the Group 2023	Percentage equity held by the Group 2022
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 2023	The Group 31 March 2022
Singapore Aero Engine Services Private Limited ("SAESL")	**232,564**	202,756

The Group has 50% (2022: 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 (2021/22: Nil) were received from SAESL.

Summarised financial information in respect of SAESL is as follows:

	31 March 2023	31 March 2022
Summarised balance sheet		
Funds employed:		
Cash and short-term deposits	**314,718**	94,645
Other current assets	**1,648,881**	1,160,175
Total current assets	**1,963,599**	1,254,820
Non-current assets	**238,398**	265,815
Total assets	**2,201,997**	1,520,635
Current liabilities	**(1,736,868)**	(1,025,211)
Non-current liabilities	**–**	(89,913)
Total liabilities	**(1,736,868)**	(1,115,124)
Net assets	**465,129**	405,511
Financed by:		
Shareholders' equity	**465,129**	405,511

21. JOINT VENTURE COMPANY (IN THOUSANDS OF $) (continued)

	The Group 2022/23	The Group 2021/22
Summarised statement of comprehensive income		
Revenue	**3,742,708**	2,708,375
Depreciation and amortisation	**(35,892)**	(37,029)
Interest income	**4,454**	117
Interest expense	**(5,168)**	(5,288)
Profit before tax	**64,428**	57,816
Taxation	**(5,889)**	979
Profit after taxation	**58,539**	58,795
Other comprehensive income	**9,922**	3,871
Total comprehensive income	**68,461**	62,666

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 2023	The Group 31 March 2022
Group's share of 50% of net assets	**232,564**	202,756

22. TRADE DEBTORS (IN THOUSANDS OF $)

	The Group 31 March 2023	The Group 31 March 2022	The Company 31 March 2023	The Company 31 March 2022
Trade debtors, net	**34,151**	35,351	**23,785**	24,290

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

	The Group 31 March 2023	The Group 31 March 2022	The Company 31 March 2023	The Company 31 March 2022
Not past due and not impaired	**21,691**	17,352	**14,828**	11,219
Past due				
Trade debtors – collectively assessed	**13,939**	21,308	**10,109**	15,559
Less: Accumulated impairment losses	**(1,479)**	(3,309)	**(1,152)**	(2,488)
	12,460	17,999	**8,957**	13,071
Credit-impaired trade debtors – individually assessed	**543**	3,604	**427**	1,592
Less: Accumulated impairment losses	**(543)**	(3,604)	**(427)**	(1,592)
	–	–	**–**	–
Total trade debtors, net	**34,151**	35,351	**23,785**	24,290

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 2023, trade debtors in currencies other than the Group's functional currencies which were denominated in United States Dollars amounted to 87% (2022: 52%) for the Group and 66% (2022: 75%) 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	
	2023	2022	2023	2022
Contract assets	**160,304**	124,562	**149,100**	118,770
Contract liabilities	**(21,510)**	(12,703)	**(20,760)**	(12,648)

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 $75,302,000 (2022: $70,406,000) and $75,142,000 (2022: $70,291,000) for the Group and Company respectively; and services rendered to fellow subsidiaries of the immediate holding company of approximately $20,541,000 (2022: $17,286,000) and $19,888,000 (2022: $17,277,000) 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 $229,000 (2022: $141,000) 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	
		2023	2022	2023	2022
The Group					
(a)	Revenue recognised that was included in the contract liability balance at the beginning of the year	**–**	–	**12,292**	5,829
(b)	Increases due to cash received, excluding amounts recognised as revenue during the year	**–**	–	**(21,007)**	(7,213)
(c)	Contract assets recognised	**199,769**	143,506	**–**	–
(d)	Transfer from contract assets to trade debtors	**(161,293)**	(119,282)	**–**	–
The Company					
(a)	Revenue recognised that was included in the contract liability balance at the beginning of the year	**–**	–	**10,008**	5,188
(b)	Increases due to cash received, excluding amounts recognised as revenue during the year	**–**	–	**(18,120)**	(6,747)
(c)	Contract assets recognised	**145,981**	107,136	**–**	–
(d)	Transfer from contract assets to trade debtors	**(112,954)**	(80,708)	**–**	–

24. PREPAYMENTS AND OTHER DEBTORS (IN THOUSANDS OF $)

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Current assets				
Prepayments	**11,047**	9,415	**2,133**	1,447
Other debtors	**6,709**	27,455	**4,799**	25,873
	17,756	36,870	**6,932**	27,320
Non-current assets				
Prepayments	**–**	3,891	**–**	–

24. PREPAYMENTS AND OTHER DEBTORS (IN THOUSANDS OF $) (continued)

As at 31 March 2023, the contract/notional amounts of the forward currency contracts were approximately $23,323,000 (2022: $31,169,000) 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 $803,000 (2022: $109,000) for the Group and Company were recorded in other debtors.

Other debtors also included wage support grant receivable of approximately $677,742 (2022: $22,263,000) and $Nil (2022: $21,818,000) for the Group and Company, respectively.

Of the outstanding prepayments, $3,203,079 (2022: $7,881,000) 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 1 years (2022: 2 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 2023			The Company 31 March 2023		
	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	**102,648**	**(58,933)**	**43,715**	**102,204**	**(58,933)**	**43,271**
Payables	**(58,933)**	**58,933**	**–**	**(58,933)**	**58,933**	**–**

	31 March 2022			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	–

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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	
	2023	2022	2023	2022
Amounts owing by related parties				
– Fellow subsidiaries	**16,475**	15,073	**16,083**	14,948
– Subsidiaries	**–**	–	**6,933**	6,266
– Joint venture/associated companies	**1,906**	5,569	**1,683**	5,515
– Others	**61**	61	**61**	61
	18,442	20,703	**24,760**	26,790
Amounts owing to related parties				
– Subsidiaries	**–**	–	**(15,931)**	(10,214)
– Joint venture/associated companies	**(1,239)**	(1,456)	**(1,239)**	(1,456)
	(1,239)	(1,456)	**(17,170)**	(11,670)

The Group's receivables and payables from/(to) related parties that are subject to offsetting arrangement are as follows:

	The Group 31 March 2023			The Company 31 March 2023		
	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	**16,475**	**–**	**16,475**	**16,083**	**–**	**16,083**
– Subsidiaries	**–**	**–**	**–**	**6,933**	**–**	**6,933**
– Joint venture/associated companies	**1,906**	**–**	**1,906**	**1,683**	**–**	**1,683**
– Others	**61**	**–**	**61**	**61**	**–**	**61**
	18,442	**–**	**18,442**	**24,760**	**–**	**24,760**
Amounts owing to related parties						
– Subsidiaries	**–**	**–**	**–**	**(16,290)**	**359**	**(15,931)**
– Joint venture/associated companies	**(1,239)**	**–**	**(1,239)**	**(1,239)**	**–**	**(1,239)**
	(1,239)	**–**	**(1,239)**	**(17,529)**	**359**	**(17,170)**

26. AMOUNTS OWING BY/(TO) RELATED PARTIES (IN THOUSANDS OF $) (continued)

	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)

Amounts owing by related parties are stated after deducting impairment losses. During the year, the Group made a full impairment loss of $18,000 (2021/22: $19,000) on amounts owing by related parties that have been assessed as credit-impaired.

27. INVENTORIES (IN THOUSANDS OF $)

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Aircraft and component spares	**33,288**	27,354	**25,618**	20,846
Consumable stores and stocks	**10,071**	5,640	**297**	294
Total inventories at lower of cost and net realisable value	**43,359**	32,994	**25,915**	21,140

Inventories are stated after deducting provision for stock obsolescence. An analysis of the provision for stock obsolescence is as follows:

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Balance at 1 April	**25,002**	22,394	**23,882**	21,735
Charge to profit or loss, net	**2,448**	2,971	**2,920**	2,194
Provision utilised during the year	**(539)**	(363)	**(122)**	(47)
Balance at 31 March	**26,911**	25,002	**26,680**	23,882

NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

28. SHORT-TERM DEPOSITS (IN THOUSANDS OF $)

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Deposits placed with the immediate holding company	**587,579**	568,559	**587,579**	568,559
Fixed deposits placed with banks	**15,960**	15,448	**1,549**	1,522
	603,539	584,007	**589,128**	570,081

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 5.46% (2021/22: 0.05% to 1.42%) per annum and can be withdrawn on demand. The interest rates are repriced at varying periods ranging from 1 to 18 months (2022: 1 to 12 months).

As at 31 March 2023, short-term deposits in currencies other than the Group's functional currencies which were denominated in United States Dollars amounted to 19% (2022: 18%) for the Group and 20% (2022: 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 0.45% (2021/22: 0.0% to 0.05%) per annum.

As at 31 March 2023, cash and bank balances in currencies other than the Group's functional currencies which were denominated in United States Dollars amounted to 25% (2022: 14%) for the Group and 52% (2022: 44%) for the Company.

30. TRADE AND OTHER CREDITORS (IN THOUSANDS OF $)

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Trade	**59,115**	17,044	**47,159**	10,682
Accruals	**100,154**	102,250	**90,535**	90,179
Contingent consideration	**967**	984	**967**	984
Deferred income	**–**	4,716	**–**	4,611
Provision for warranty claims	**1,789**	2,903	**1,514**	2,440
	162,025	127,897	**140,175**	108,896

These amounts are non-interest bearing.

As at 31 March 2023, trade and other creditors in currencies other than the Group's functional currencies which were denominated in United States Dollars amounted to 3% (2022: 7%) for the Group and 3% (2022: 9%) for the Company.

Contingent consideration

The Group and the Company had previously entered into an agreement related to the sales and acquisition of its subsidiary companies whereby the selling shareholder would be compensated for any recovery of bad debts and insurance claims after the acquisition. The Group and the Company has included approximately $967,000 as contingent consideration related to the additional consideration.

The fair value of contingent consideration falls under level 3 of fair value hierarchy.

30. TRADE AND OTHER CREDITORS (IN THOUSANDS OF $) (continued)

Provision for warranty claims

An analysis of the provision for warranty claims is as follows:

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Balance at 1 April	**2,903**	1,468	**2,440**	1,089
(Reversed)/Charge to profit or loss, net	**(421)**	2,200	**(926)**	1,351
Provision utilised during the year	**(693)**	(765)	**–**	–
Balance at 31 March	**1,789**	2,903	**1,514**	2,440

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 (2022: 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	
	2022/23	2021/22
Leases under IFRS 16		
Finance charges	**1,887**	2,362
Income from sub-leasing right-of-use assets	**(87)**	(90)
Expenses relating to variable lease payments not included in the measurement of lease liabilities	**807**	807
Expenses relating to short-term leases	**789**	783
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**78**	268

Amounts recognised in statement of cash flows

	The Group	
	2022/23	2021/22
Total cash outflow for leases	**30,443**	28,147

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.

31. LEASES (IN THOUSANDS OF $) (continued)

(a) As lessee (continued)

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 rent concessions recognised in profit or loss for the reporting period to which the Group has applied the practical expedient for COVID-19-related rent concessions is $588,000 (2021/22: $1,471,000).

(b) As lessor

Operating lease

As at 31 March 2023, the Company leased its properties to another subsidiary for a lease term of 15 months and 3 years. Another subsidiary also leased out its property to a third party for a period of 6 months (2022: 9 months).

The future minimum lease receivables under non-cancellable operating leases are as follows:

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Within one year	**22**	79	**170**	152
After one year but less than 5 years	**–**	–	**–**	140
	22	79	**170**	292

32. BANK LOANS (IN THOUSANDS OF $)

	The Group 31 March	
	2023	2022
Current liabilities		
Revolving credit facilities	**2,029**	2,801
Non-current liability		
Long-term bank loan	**462**	–

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 6.21% (2021/22: 2.38%) per annum. The current revolving credit facilities shall be repayable within 12 months after the reporting date.

The long-term bank loan denominated in United States dollars drawn down by a subsidiary company is unsecured and bears interest at a floating rate of 6.96% per annum, to be re-priced after half a year. This draw down is repayable by 15 March 2028.

33. CASH FLOW FROM OPERATING ACTIVITIES (IN THOUSANDS OF $)

	The Group 2022/23	The Group 2021/22
Profit before taxation	**65,549**	49,160
Adjustments for:		
Depreciation	**59,270**	59,844
Amortisation of intangible assets	**4,682**	3,490
Impairment loss (reversal)/allowance for trade receivables, contract assets and amounts owing by related parties	**(2,106)**	93
Share-based compensation expense	**4,525**	3,810
Rent concessions	**(588)**	(1,471)
Unrealised exchange differences	**582**	(940)
Interest income	**(12,271)**	(1,816)
Finance charges	**1,949**	2,633
Loss/(Surplus) on disposal of property, plant and equipment and intangible assets	**19**	(687)
Surplus on disposal of associated companies	**–**	(2,618)
Impairment loss (reversal)/allowance of associated companies	**(2,005)**	2,145
Impairment loss (reversal)/allowance of non-financial assets	**(1,678)**	8,405
Share of profits of associated and joint venture companies, net of tax	**(77,814)**	(79,092)
Operating profit before working capital changes	**40,114**	42,956
Decrease in debtors	**26,668**	10,070
Increase in contract assets	**(35,587)**	(22,890)
(Increase)/Decrease in inventories	**(7,599)**	2,118
Increase/(Decrease) in creditors	**33,205**	(28,062)
Increase in contract liabilities	**8,807**	1,398
(Increase)/Decrease in amounts owing by immediate holding company	**(6,040)**	31,388
Decrease/(Increase) in amounts owing by related parties, net	**2,054**	(3,068)
Cash generated from operations	**61,622**	33,910
Income taxes received/(paid)	**2,987**	(4,710)
Net cash provided by operating activities	**64,609**	29,200

NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

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 2022	**38,424**	**28,507**	**–**	**2,801**	**69,732**
Changes from financing cash flows					
Finance charges paid	**–**	**–**	**(1)**	**(60)**	**(61)**
Proceeds from borrowings	**–**	**–**	**462**	**2,745**	**3,207**
Repayment of lease liabilities	**–**	**(30,443)**	**–**	**–**	**(30,443)**
Repayment of borrowings	**–**	**–**	**–**	**(3,645)**	**(3,645)**
Total changes from financing cash flows	**–**	**(30,443)**	**461**	**(960)**	**(30,942)**
Non-cash changes					
Interest expense	**–**	**1,888**	**1**	**60**	**1,949**
Additions	**58,414**	**16,814**	**–**	**–**	**75,228**
Reclassification	**(6,440)**	**6,440**	**–**	**–**	**–**
Rent concessions	**–**	**(588)**	**–**	**–**	**(588)**
Foreign exchange movement	**(264)**	**(48)**	**–**	**128**	**(184)**
	51,710	**24,506**	**1**	**188**	**76,405**
Balance at 31 March 2023	**90,134**	**22,570**	**462**	**2,029**	**115,195**

	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

* 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 $55,455,000 (2022: $51,022,000) and $51,848,595 (2022: $49,994,000) respectively.

In addition, the Group's share of a joint venture company's commitments for capital expenditure is approximately $2,812,000 (2022: $2,091,000).

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 2 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 2023					
Assets					
Trade debtors	**34,151**	**–**	**–**	**–**	**34,151**
Other debtors	**5,906**	**803**	**–**	**–**	**6,709**
Amount due from immediate holding company	**43,715**	**–**	**–**	**–**	**43,715**
Amounts owing by related parties	**18,442**	**–**	**–**	**–**	**18,442**
Short-term deposits	**603,539**	**–**	**–**	**–**	**603,539**
Cash and bank balances	**29,450**	**–**	**–**	**–**	**29,450**
Total financial assets	**735,203**	**803**	**–**	**–**	**736,006**
Assets held for sale					**1,516**
Total non-financial assets					**1,245,856**
Total assets					**1,983,378**
Liabilities					
Trade and other creditors *	**–**	**–**	**161,058**	**–**	**161,058**
Contingent consideration	**–**	**–**	**–**	**967**	**967**
Amounts owing to related parties	**–**	**–**	**1,239**	**–**	**1,239**
Bank loans	**–**	**–**	**2,029**	**–**	**2,029**
Long-term bank loans	**–**	**–**	**462**	**–**	**462**
Total financial liabilities	**–**	**–**	**164,788**	**967**	**165,755**
Total non-financial liabilities					**140,885**
Total liabilities					**306,640**

* 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 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

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 2023					
Assets					
Trade debtors	**23,785**	**–**	**–**	**–**	**23,785**
Other debtors	**3,996**	**803**	**–**	**–**	**4,799**
Immediate holding company	**43,271**	**–**	**–**	**–**	**43,271**
Loan to a subsidiary company	**13,294**	**–**	**–**	**–**	**13,294**
Amounts owing by related parties	**24,760**	**–**	**–**	**–**	**24,760**
Short-term deposits	**589,128**	**–**	**–**	**–**	**589,128**
Cash and bank balances	**12,271**	**–**	**–**	**–**	**12,271**
Total financial assets	**710,505**	**803**	**–**	**–**	**711,308**
Assets held for sale					**1,516**
Total non-financial assets					**827,421**
Total assets					**1,540,245**
Liabilities					
Trade and other creditors *	**–**	**–**	**139,208**	**–**	**139,208**
Contingent consideration	**–**	**–**	**–**	**967**	**967**
Amounts owing to related parties	**–**	**–**	**17,170**	**–**	**17,170**
Total financial liabilities	**–**	**–**	**156,378**	**967**	**157,345**
Total non-financial liabilities					**131,270**
Total liabilities					**288,615**

* 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

(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 2023			
	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	**–**	**803**	**–**	**803**
Financial liability				
Contingent consideration	**–**	**–**	**(967)**	**(967)**
	–	**803**	**(967)**	**(164)**

	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)

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 loan to a subsidiary company is reasonable approximation of fair value as the loan is a floating rate loan 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"), Malaysian Ringgit ("MYR") 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 2023, these accounted for 21% of total revenue (2021/22: 19%) and 9% of total operating expenses (2021/22: 8%). 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 $123,671,000 (2022: $109,166,000) and $122,701,000 (2022: $108,744,000) 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 2023, a net fair value gain before tax of $619,000 (2021/22: $1,355,000) with a related deferred tax asset $105,000 (2022: deferred tax asset of $230,000), 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	
	2023	2022	2023	2022
Effect of weakening of SGD against USD				
Profit before taxation R1	**1,203**	1,130	**1,209**	1,125
Equity R2	**(199)**	(311)	**(199)**	(311)
Effect of strengthening of SGD against USD				
Profit before taxation R1	**(1,203)**	(1,130)	**(1,209)**	(1,125)
Equity R2	**199**	311	**199**	311

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 2022/23.

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 2023, other than those short-term deposits and borrowings, the Group has a floating rate long-term bank loan.

Interest rate sensitivity analysis

At the end of the reporting period, if the floating rates had been 100 basis points (2021/22: 100 basis points) lower/higher with all other variables held constant, the Group's profit before tax would have been approximately $5,000 (2021/22: $282,000) 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 2023 in relation to each class of recognised financial assets are as follows:

	The Group 31 March		The Company 31 March	
	2023	2022	2023	2022
Loan to a subsidiary company	**–**	–	**13,294**	8,120
Trade debtors	**34,151**	35,351	**23,785**	24,290
Contract assets	**160,304**	124,562	**149,100**	118,770
Other debtors	**6,709**	27,455	**4,799**	25,873
Amount due from immediate holding company	**43,715**	36,465	**43,271**	36,130
Amounts owing by related parties	**18,442**	20,703	**24,760**	26,790
Short-term deposits	**603,539**	584,007	**589,128**	570,081
Cash and bank balances	**29,450**	41,470	**12,271**	13,486
	896,310	870,013	**860,408**	823,540

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 2023, the only trade debtor exceeding 42% (2022: 30%) of the Group's trade debtors was an amount of approximately $43,715,000 (2022: $36,465,000) due from its immediate holding company, Singapore Airlines Limited.

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 2023 and 31 March 2022:

		The Group 31 March 2023	
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance
Less than 30 days	**0.31%**	**198,545**	**(607)**
30 days to 60 days	**0.04%**	**6,786**	**(3)**
61 days to 90 days	**6.18%**	**2,588**	**(160)**
More than 90 days	**20.70%**	**7,248**	**(1,500)**
		215,167	**(2,270)**

		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)

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 2023	
	Weighted average loss rate	Gross carrying amount	Impairment loss allowance
Less than 30 days	**0.28%**	**183,123**	**(514)**
30 days to 60 days	**0.08%**	**2,617**	**(2)**
61 days to 90 days	**6.79%**	**2,357**	**(160)**
More than 90 days	**8.11%**	**11,126**	**(902)**
		199,223	**(1,578)**

		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 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 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
Reversed during the year	(1,689)	(417)	(2,106)
Provision utilised during the year	(54)	(2,643)	(2,697)
Balance at 31 March 2023	**1,566**	**704**	**2,270**

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 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
Reversed during the year	(1,337)	(419)	(1,756)
Provision utilised during the year	–	(746)	(746)
Balance at 31 March 2023	**1,151**	**427**	**1,578**

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 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 2023 and 31 March 2022.

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	
	2023	2022	2023	2022	2023	2022	2023	2022
Counterparty profiles								
By industry:								
Airlines	**631,295**	605,024	**86%**	81%	**630,851**	604,689	**89%**	86%
Financial institutions	**15,960**	56,529	**2%**	8%	**1,548**	15,008	**0%**	2%
Others	**–**	389	**–**	0%	**–**	–	**–**	–
	647,255	661,942	**88%**	89%	**632,399**	619,697	**89%**	88%
By region:								
East Asia	**643,267**	644,543	**87%**	87%	**632,399**	619,697	**89%**	88%
Europe	**–**	–	**–**	–	**–**	–	**–**	–
South West Pacific	**–**	–	**–**	–	**–**	–	**–**	–
Americas	**3,988**	17,399	**1%**	2%	**–**	–	**–**	–
West Asia and Africa	**–**	–	**–**	–	**–**	–	**–**	–
	647,255	661,942	**88%**	89%	**632,399**	619,697	**89%**	88%
By Moody's credit ratings:								
Investment grade (A to Aaa)	**15,960**	56,410	**2%**	8%	**1,548**	15,008	**0%**	2%
Non-rated	**631,295**	605,532	**86%**	81%	**630,851**	604,689	**89%**	86%
	647,255	661,942	**88%**	89%	**632,399**	619,697	**89%**	88%

(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 2023, the Group had at its disposal, cash and short-term deposits amounting to approximately $632,989,000 (2022: $625,477,000).

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 $11,557,000 (2022: $23,186,000) that are unsecured and can be drawn down to meet short-term financing needs.

In the prior 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 2023, 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							
2023							
Financial liabilities							
Trade and other creditors *	**162,025**	**–**	**–**	**–**	**–**	**–**	**162,025**
Contract liabilities	**21,510**	**–**	**–**	**–**	**–**	**–**	**21,510**
Amounts owing to related parties	**1,239**	**–**	**–**	**–**	**–**	**–**	**1,239**
Lease liabilities	**26,674**	**22,730**	**22,170**	**21,601**	**4,663**	**29,763**	**127,601**
Bank loans	**2,029**	**–**	**–**	**–**	**–**	**–**	**2,029**
Long-term bank loan	**16**	**–**	**154**	**154**	**154**	**–**	**478**
Total undiscounted financial and lease liabilities	**213,493**	**22,730**	**22,324**	**21,755**	**4,817**	**29,763**	**314,882**
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
The Company							
2023							
Financial liabilities							
Trade and other creditors *	**140,175**	**–**	**–**	**–**	**–**	**–**	**140,175**
Contract liabilities	**20,760**	**–**	**–**	**–**	**–**	**–**	**20,760**
Amounts owing to related parties	**17,170**	**–**	**–**	**–**	**–**	**–**	**17,170**
Lease liabilities	**24,261**	**21,255**	**21,092**	**21,121**	**4,387**	**23,543**	**115,659**
Total undiscounted financial and lease liabilities	**202,366**	**21,255**	**21,092**	**21,121**	**4,387**	**23,543**	**293,764**
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

* Excluding deferred income

NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

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 inventory technical management. 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. Inventory technical management 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 2023 and 31 March 2022 and certain assets information of the operating segments as at those dates.

Effective from 1 April 2022, the component shops and inventory technical management units previously presented as part of the airframe and line maintenance segment were integrated into newly set up component services division to position the Group for recovery and growth in demand for component MRO business. The new division is presented in the engine and component segment. Accordingly, previous reference to fleet management programme is updated to inventory technical management.

This represents a change to the operating segments reported in the previous financial year. The previously reported segment results for the year ended 31 March 2022 have been restated to be comparable with the revised segmentation approach as required by IFRS 8 Operating Segments.

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
2022/23						
SEGMENT REVENUE						
External revenue						
Company and subsidiaries		**644,898**	**151,072**	**795,970**	**–**	**795,970**
Associated companies	(a)	**40,991**	**2,148,898**	**2,189,889**	**(2,189,889)**	**–**
Joint venture company	(a)	**–**	**3,742,708**	**3,742,708**	**(3,742,708)**	**–**
Inter-segment revenue	(b)	**–**	**1,958**	**1,958**	**(1,958)**	**–**
		685,889	**6,044,636**	**6,730,525**	**(5,934,555)**	**795,970**
SEGMENT RESULTS						
Segment results						
Company and subsidiaries		**(1,955)**	**(24,296)**	**(26,251)**	**–**	**(26,251)**
Associated companies	(a)	**(4,888)**	**113,996**	**109,108**	**(109,108)**	**–**
Joint venture company	(a)	**–**	**63,286**	**63,286**	**(63,286)**	**–**
		(6,843)	**152,986**	**146,143**	**(172,394)**	**(26,251)**
Interest income						**12,271**
Reversal of impairment of non-financial assets						**1,678**
Reversal of impairment of an associated company						**2,005**
Share of profits of associated companies, net of tax					**48,545**	**48,545**
Share of profits of a joint venture company, net of tax					**29,269**	**29,269**
Other unallocated amounts						**(1,968)**
Profit before taxation	(c)					**65,549**
Taxation						**996**
Profit for the financial year						**66,545**
Other segment items						
Depreciation		**44,673**	**14,597**	**59,270**	**–**	**59,270**
Amortisation of intangible assets		**2,513**	**2,169**	**4,682**	**–**	**4,682**
Segment assets						
Property, plant and equipment		**102,567**	**72,576**	**175,143**	**–**	**175,143**
Right-of-use assets		**104,159**	**8,223**	**112,382**	**–**	**112,382**
Intangible assets		**18,164**	**22,614**	**40,778**	**–**	**40,778**
Investment in associated/joint venture companies		**22,082**	**663,222**	**685,304**	**–**	**685,304**
Other unallocated assets	(d)					**969,771**
Total assets		**246,972**	**766,635**	**1,013,607**	**–**	**1,983,378**

37. SEGMENT INFORMATION (IN THOUSANDS OF $) (continued)

Operating Segments (continued)

	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		465,770	100,316	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)	–
		537,099	4,969,820	5,506,919	(4,940,833)	566,086
SEGMENT RESULTS						
Segment results						
Company and subsidiaries		2,829	(24,699)	(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)	–
		(18,759)	136,383	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		47,984	11,860	59,844	–	59,844
Amortisation of intangible assets		1,375	2,115	3,490	–	3,490
Segment assets						
Property, plant and equipment		107,683	49,218	156,901	–	156,901
Right-of-use assets		55,360	7,645	63,005	–	63,005
Intangible assets		11,241	21,545	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		193,723	714,085	907,808	–	1,838,193

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 2023	31 March 2022
Finance charges	**(1,949)**	(2,633)
(Loss)/Surplus on disposal of property, plant and equipment and intangible assets	**(19)**	687
	(1,968)	(1,946)

(d) The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	31 March 2023	31 March 2022
Deferred tax assets	**17,539**	17,603
Current assets	**952,232**	912,782
	969,771	930,385

Geographical segments

Revenue * and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue * 2022/23	Revenue * 2021/22	Non-current assets 31 March 2023	Non-current assets 31 March 2022
East Asia	**592,629**	449,089	**1,010,564**	899,433
Europe	**89,268**	56,598	**–**	–
South West Pacific	**18,556**	4,848	**–**	–
Americas	**62,587**	34,957	**20,582**	25,978
West Asia and Africa	**32,930**	20,594	**–**	–
Total	**795,970**	566,086	**1,031,146**	925,411

* Revenue from Company and subsidiary companies.

For the year ended 31 March 2023, revenue of approximately $514,009,000 (2021/22: $400,215,000) and $63,295,000 (2021/22: $32,130,000) were from customers located in Singapore and France respectively. The remaining revenue from customers in other countries were individually insignificant.

As at 31 March 2023, non-current assets of approximately $963,544,000 (2022: $854,856,000) were located in Singapore. The remaining non-current assets located in other countries were individually insignificant.

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 $426,372,000 (2021/22: $323,185,000), 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 2023, there was no dividend payment by the Company to shareholders (2021/22: $Nil for final dividend in respect of 2020/21).

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.

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 2023	The Group 31 March 2022	The Company 31 March 2023	The Company 31 March 2022
Total debt:				
Lease liabilities	**112,704**	66,931	**103,825**	59,975
Bank loans	**2,491**	2,801	**–**	–
	115,195	69,732	**103,825**	59,975
Total capital:				
Share capital	**420,044**	420,044	**420,044**	420,044
Reserves	**1,246,115**	1,190,742	**831,586**	798,732
	1,666,159	1,610,786	**1,251,630**	1,218,776
Capital and total debt	**1,781,354**	1,680,518	**1,355,455**	1,278,751

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	
	2022/23	2021/22
Income		
Sales of services and related materials to:		
– the immediate holding company and related corporations	**484,719**	369,310
– associated companies	**10,019**	17,249
– a joint venture company	**4,448**	2,853
– others	**10**	–
Interest income from the immediate holding company	**11,638**	1,701
Equipment fee charged to the immediate holding company	**129**	132
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	**12,814**	10,631
Rental of hangars, workshops and office space charged by the immediate holding company	**18,657**	17,959
Purchases of materials from the immediate holding company and fellow subsidiaries	**59,670**	55,752
Purchases of goods from:		
– associated companies	**5,410**	10,664
– a joint venture company	**750**	865
– others	**20,170**	14,322
Services rendered by:		
– the immediate holding company	**7,319**	449

39. RELATED PARTY TRANSACTIONS (IN THOUSANDS OF $) (continued)

Compensation of key management personnel

Directors' and key executives' remuneration of the Company

	The Company	
	2022/23	2021/22
Directors		
Directors' fees	**1,283**	1,066
Key executives		
Salary, bonuses and other costs	**4,381**	3,748
CPF and other defined contributions	**118**	112
Share-based compensation expense	**3,325**	2,130

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 2022 (a)	Base Awards granted during the financial year (b)	Base Awards vested during the financial year (c)	Balance as at 31 March 2023/ cessation of employment = (a)+(b)–(c)	Aggregate Base Awards granted since commencement of RSP to end of financial year under review
Ng Chin Hwee	142,800	143,300	142,800	143,300	460,900
Wong Yue Jeen	25,600	24,000	25,600	24,000	249,205
Philip Quek Cher Heong	24,000	24,200	24,000	24,200	219,595
Foo Kean Shuh	28,900	44,800	28,900	44,800	159,750
Schmuck Stefan	11,000	22,200	11,000	22,200	33,200
Ng Lay Pheng	27,000	24,500	27,000	24,500	112,500
Ng Jan Lin Wilin	24,900	22,300	24,900	22,300	240,790
Chua Hock Hai	26,100	22,200	26,100	22,200	56,200
So Man Fung	26,200	25,500	26,200	25,500	173,393
Bernd Riggers	–	4,700	–	4,700	4,700

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 2022 (a)	Final Awards granted during the financial year ^ (b)	Final Awards released during the financial year (c)	Balance as at 31 March 2023/ 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	110,660	157,080	107,800	159,940	163,200
Wong Yue Jeen	21,400	28,160	22,520	27,040	165,849
Philip Quek Cher Heong	23,370	26,400	23,180	26,590	159,530
Foo Kean Shuh	23,285	31,790	25,000	30,075	95,435
Schmuck Stefan	–	12,100	4,000	8,100	4,000
Ng Lay Pheng	22,825	29,700	24,180	28,345	58,894
Ng Jan Lin Wilin	21,775	27,390	22,320	26,845	172,215
Chua Hock Hai	5,005	28,710	12,100	21,615	14,600
So Man Fung	25,722	28,820	25,860	28,682	105,087
Bernd Riggers	–	–	–	–	–

(c) PSP Base Awards

Name of participant	Balance as at 1 April 2022 (a)	Base Awards granted during the financial year (b)	Base Awards vested during the financial year (c)	Balance as at 31 March 2023/ 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	354,800	175,200	–	530,000	530,000	–
Wong Yue Jeen	62,600	20,900	16,800	66,700	134,238	27,249
Philip Quek Cher Heong	65,800	21,000	19,800	67,000	116,994	18,067
Foo Kean Shuh	70,000	38,800	19,700	89,100	141,419	19,037
Schmuck Stefan	9,700	19,300	–	29,000	29,000	–
Ng Lay Pheng	68,400	21,300	20,800	68,900	89,700	6,864
Ng Jan Lin Wilin	62,400	19,500	16,700	65,200	81,900	5,511
Chua Hock Hai	29,800	19,300	–	49,100	49,100	–
So Man Fung	22,800	22,200	–	45,000	45,000	–
Bernd Riggers	–	4,000	–	4,000	4,000	–

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 2022 (a)	Base Awards granted during the financial year (b)	Base Awards vested during the financial year (c)	Balance as at 31 March 2023/ 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	169,762	56,600	236,132	56,600
Wong Yue Jeen	67,409	56,345	37,462	86,292	37,462
Philip Quek Cher Heong	65,212	56,345	35,911	85,646	35,911
Foo Kean Shuh	67,881	52,127	36,383	83,625	36,383
Schmuck Stefan	–	21,688	7,200	14,488	7,200
Ng Lay Pheng	62,385	55,716	32,678	85,423	32,678
Ng Jan Lin Wilin	47,445	57,123	19,000	85,568	19,000
Chua Hock Hai	5,697	52,050	17,400	40,347	17,400
So Man Fung	4,960	57,408	19,100	43,268	19,100
Bernd Riggers	–	–	–	–	–

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 2022/23 are as follows:

		FY2022/23	
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	–	1,853,557*
Scoot TigerAir Pte Ltd	Wholly-owned subsidiaries of SIAEC's controlling shareholder	–	444,829
Singapore Aviation and General Insurance Company (Pte) Ltd		–	599
Tata SIA Airlines Limited	Associate of SIAEC's controlling shareholder	–	656
Non-listed Associates of Temasek Holdings (Private) Limited ("Temasek")			
AJI International Pte Ltd	Associate of Temasek Holdings (Private) Limited ("Temasek")	–	10,005
# Element Testing Services (S) Pte Ltd (Formerly known as Singapore Test Services Pte Ltd)	Associate of Temasek	–	200
SATS Group			
SATS Ltd	Associate of Temasek	–	706
SATS Security Services Pte Ltd		–	13,792
Total		–	**2,324,344**

* Includes principal, interest and service fees, in respect of treasury transactions with SIA.
\# Acquired by Element Materials Technology Group Limited (an associate of Temasek) from Singapore Technologies Engineering Limited (an associate of Temasek) in July 2022.

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 2023, 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						
2022/23	**($ million)**	**171.5**	**190.7**	**208.1**	**225.7**	**796.0**
2021/22	($ million)	125.3	138.2	140.0	162.6	566.1
Expenditure						
2022/23	**($ million)**	**175.5**	**197.5**	**220.6**	**228.7**	**822.3**
2021/22	($ million)	128.2	142.0	147.8	169.9	587.9
Operating loss						
2022/23	**($ million)**	**(4.0)**	**(6.8)**	**(12.5)**	**(3.0)**	**(26.3)**
2021/22	($ million)	(2.9)	(3.8)	(7.8)	(7.3)	(21.8)
Profit/(loss) before taxation						
2022/23	**($ million)**	**12.8**	**19.9**	**12.3**	**20.5**	**65.5**
2021/22	($ million)	11.9	7.8	29.7	(0.2)	49.2
Profit attributable to owners of the parent						
2022/23	**($ million)**	**12.8**	**19.7**	**12.9**	**21.0**	**66.4**
2021/22	($ million)	14.5	10.5	33.2	9.4	67.6
Earnings per share - basic						
2022/23	**(cents)**	**1.14**	**1.75**	**1.14**	**1.88**	**5.91**
2021/22	(cents)	1.30	0.94	2.96	0.84	6.02

FIVE-YEAR FINANCIAL SUMMARY OF THE GROUP

	2022/23	2021/22	2020/21	2019/20	2018/19 [R1]
Income statement ($ million)					
Revenue	**796.0**	566.1	443.0	994.1	1,020.9
Expenditure	**822.3**	587.9	468.0	926.4	964.1
Operating (loss)/profit	**(26.3)**	(21.8)	(25.0)	67.7	56.8
Other non-operating items	**14.0**	(8.1)	(50.5)	8.9	8.4
Share of profits of associated and joint venture companies, net of tax	**77.8**	79.1	39.9	127.9	113.9
Profit/(loss) before tax	**65.5**	49.2	(35.6)	204.5	179.1
Profit/(loss) attributable to owners of the parent	**66.4**	67.6	(11.2)	193.8	160.9
Balance sheet ($ million)					
Share capital	**420.0**	420.0	420.0	420.0	420.0
Treasury shares	**(5.0)**	(5.8)	(9.8)	(13.7)	(18.0)
Capital reserve	**(0.5)**	1.5	2.7	2.8	2.9
Share-based compensation reserve	**5.8**	5.1	4.8	5.4	5.6
Foreign currency translation reserve	**(35.3)**	(19.8)	(23.8)	16.0	(18.2)
Fair value reserve	**4.4**	0.1	(2.2)	(8.7)	(0.9)
Equity transaction reserve	**(2.2)**	(2.2)	(2.2)	(4.5)	(4.5)
General reserve	**1,278.9**	1,211.8	1,144.1	1,211.5	1,141.7
Equity attributable to owners of the parent	**1,666.1**	1,610.7	1,533.6	1,628.8	1,528.6
Non-controlling interests	**10.6**	10.6	10.6	32.2	35.4
Total equity	**1,676.7**	1,621.3	1,544.2	1,661.0	1,564.0
Property, plant and equipment	**175.1**	156.9	170.1	231.3	260.8
Intangibles	**40.8**	32.8	31.7	51.9	46.6
Right-of-use assets	**112.4**	63.0	71.3	97.0	–
Associated companies	**452.7**	448.5	431.8	457.4	404.3
Joint venture company	**232.6**	202.8	170.2	159.2	154.7
Deferred tax assets	**17.5**	17.6	–	–	–
Prepayments	**–**	3.9	8.7	10.6	13.8
Current assets	**952.1**	912.7	926.0	998.1	965.0
Total assets	**1,983.2**	1,838.2	1,809.8	2,005.5	1,845.2
Non-current liabilities	**91.1**	39.0	56.5	103.7	35.7
Current liabilities	**215.4**	177.9	209.1	240.8	245.5
Total liabilities	**306.5**	216.9	265.6	344.5	281.2
Net assets	**1,676.7**	1,621.3	1,544.2	1,661.0	1,564.0
Cash flow statement ($ million)					
Cash flow from operations	**61.6**	33.9	178.5	109.2	96.6
Internally generated cash flow [R2]	**98.9**	67.4	210.6	199.5	209.0
Capital expenditure	**48.6**	18.4	15.2	36.8	25.0

Notes:
R1 The Group adopted IFRS with effect from 1 April 2018.
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 FY21/22 and FY20/21.

FIVE-YEAR FINANCIAL SUMMARY OF THE GROUP

	2022/23	2021/22	2020/21	2019/20	2018/19 [R1]
Profitability ratios (%)					
Return on equity holders' funds [R3]	**4.1**	4.3	(0.7)	12.3	10.7
Return on total assets	**3.3**	3.7	(0.6)	9.7	8.7
Return on turnover	**8.3**	11.9	(2.5)	19.5	15.8
Productivity and employee data					
Value added ($ million)	**557.9**	397.2	247.5	770.1	722.2
Value added per employee ($)	**101,156**	72,548	39,583	113,904	108,698
Revenue per employee ($)	**144,328**	103,376	70,845	147,041	153,657
Average number of employees	**5,515**	5,476	6,253	6,761	6,644
Per share data (cents)					
Earnings/(Loss) – basic [R4]	**5.91**	6.02	(1.00)	17.30	14.38
Earnings/(Loss) – diluted [R5]	**5.89**	6.00	(1.00)	17.26	14.35
Net asset value [R6]	**148.5**	143.5	136.8	145.2	136.6
Gross dividends (cents per share)					
Interim dividend	**–**	–	–	3.0	3.0
Final dividend – ordinary	**5.5**	–	–	5.0	8.0
Total dividends	**5.5**	–	–	8.0	11.0

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/(Loss) 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/(Loss) 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 2023

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.	**51%**	Aerospace Component Engineering Services Pte. Limited
100%	SIA Engineering (Philippines) Corporation	**75%**	Asia Pacific Aircraft Component Services Sdn. Bhd. (f.k.a. SR Technics Malaysia Sdn Bhd)
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 24 May 2023

No. of Issued Shares	:	1,124,116,360
No. of Issued Shares (Excluding Treasury Shares)	:	1,121,989,622
No. / Percentage of Treasury Shares	:	2,126,738 (0.19%)
No. / Percentage of Subsidiary Holdings [1]	:	0 (0%)
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	43	0.21	1,116	0.00
100 - 1,000	6,221	30.80	5,794,591	0.52
1,001 - 10,000	11,030	54.62	48,749,972	4.35
10,001 - 1,000,000	2,885	14.29	99,008,167	8.82
1,000,001 AND ABOVE	16	0.08	968,435,776	86.31
Total	20,195	100.00	1,121,989,622	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	% [2]
1	Singapore Airlines Limited	870,000,000	77.54
2	Citibank Nominees Singapore Pte Ltd	30,316,299	2.70
3	DBS Nominees Pte Ltd	21,868,151	1.95
4	DBSN Services Pte Ltd	10,166,616	0.91
5	Raffles Nominees (Pte) Limited	8,195,088	0.73
6	HSBC (Singapore) Nominees Pte Ltd	6,520,441	0.58
7	United Overseas Bank Nominees Private Limited	4,164,000	0.37
8	OCBC Nominees Singapore Pte Ltd	3,733,002	0.33
9	Phillip Securities Pte Ltd	3,178,470	0.28
10	OCBC Securities Private Ltd	1,976,400	0.18
11	UOB Kay Hian Pte Ltd	1,973,700	0.18
12	Wong Ket Seong @ Wong Ket Yin	1,500,000	0.13
13	Yongsheng (S) Holdings Pte Ltd	1,390,000	0.12
14	IFAST Financial Pte Ltd	1,227,837	0.11
15	Ng Hian Chow	1,138,000	0.10
16	Maybank Securities Pte. Ltd.	1,087,772	0.10
17	CGS-CIMB Securities (Singapore) Pte Ltd	980,620	0.09
18	Heng Siew Eng	965,400	0.09
19	Yim Chee Chong	965,000	0.09
20	Waterworth Pte Ltd	600,000	0.05
	Total	971,946,796	86.63

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 1,121,989,622 ordinary shares issued as at 24 May 2023 (this is based on 1,124,116,360 shares issued as at 24 May 2023, excluding the 2,126,738 shares held in treasury as at 24 May 2023), rounded down to the nearest 0.01%.

SHAREHOLDING STATISTICS

As at 24 May 2023

SUBSTANTIAL SHAREHOLDERS

	Number of Shares					
Substantial Shareholder	Direct Interest	% [1]	Deemed Interest	% [1]	Total Interest	% [1]
Singapore Airlines Limited	870,000,000	77.54	–	–	870,000,000	77.54
Napier Investments Pte. Ltd.	–	–	870,000,000 [2]	77.54	870,000,000	77.54
Tembusu Capital Pte. Ltd.	–	–	870,000,000 [3]	77.54	870,000,000	77.54
Temasek Holdings (Private) Limited	–	–	870,000,000 [4]	77.54	870,000,000	77.54

Notes:

[1] Based on 1,121,989,622 ordinary shares issued as at 24 May 2023 (this is based on 1,124,116,360 shares issued as at 24 May 2023, excluding the 2,126,738 shares held in treasury as at 24 May 2023), rounded down to the nearest 0.01%.

[2] Napier Investments Pte. Ltd. ("**Napier**") holds a direct interest of 33.19% 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**").

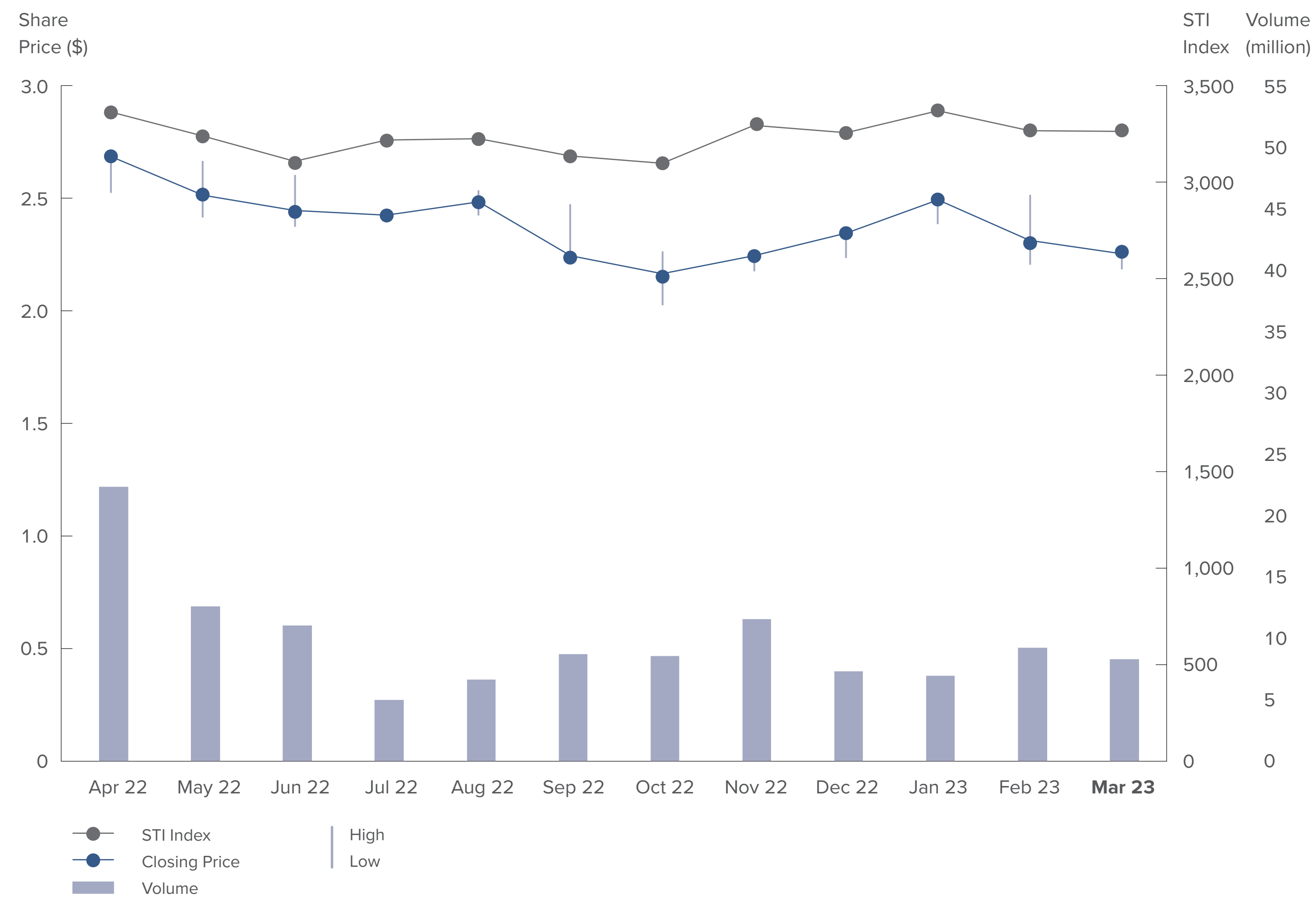
[3] Tembusu Capital Pte. Ltd. ("**Tembusu**") holds 100% of the equity interest in Napier and is therefore deemed to have an interest in the shares that Napier is deemed to have an interest in by virtue of Section 4 of the SFA. Tembusu is a subsidiary of Temasek Holdings (Private) Limited ("**Temasek**").

[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 24 May 2023, 22.43% 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



	FY2022/23	FY2021/22
Share Price (S$)		
Highest closing price	**2.71**	2.55
Lowest closing price	**2.02**	2.01
31 March closing price	**2.25**	2.55
Market Value Ratios *		
Price/Earnings	**38.1**	42.4
Price/Book Value	**1.5**	1.8
Price/Cash Earnings **	**19.9**	20.2

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 41st Annual General Meeting of SIA Engineering Company Limited (the "**Company**") will be held at Garden Ballroom, Level 1, Parkroyal Collection Marina Bay Singapore, 6 Raffles Boulevard, Singapore 039594 on Thursday, 20 July 2023 at 10.00 a.m. 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 2023 and the Auditors' Report thereon.

2. To declare a final dividend of 5.5 cents per ordinary share for the financial year ended 31 March 2023.

3. 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:

   3.1 Mr Tang Kin Fei
   3.2 Mr Wee Siew Kim
   3.3 Mr Mak Swee Wah

   The profiles of Mr Tang, Mr Wee and Mr Mak can be found in the Board of Directors and Additional Information on Directors Seeking Re-Election sections of the Annual Report FY2022/23.

4. To re-elect the following Directors who are retiring pursuant to Article 96 of the Constitution of the Company and who, being eligible, offer themselves for re-election as Directors:

   4.1 Ms Chong Chuan Neo
   4.2 Ms Tan Tze Gay

   The profiles of Ms Chong and Ms Tan can be found in the Board of Directors and Additional Information on Directors Seeking Re-Election sections of the Annual Report FY2022/23.

5. To approve Directors' fees of up to $1,500,000 for the financial year ending 31 March 2024 (FY2022/23: up to $1,500,000).

6. To re-appoint KPMG LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass, with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:

   7.1 That pursuant to Section 161 of the Companies Act 1967, authority be and is hereby given to the Directors of the Company (the "**Directors**") to:

   (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

NOTICE OF ANNUAL GENERAL MEETING

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:

(i) 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);

(ii) (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;

(iii) 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

(iv) (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.

7.2 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.

7.3 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 21 June 2023 (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.

7.4 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

21 June 2023
Singapore

CLOSURE OF BOOKS

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders being obtained at the 41st Annual General Meeting of the Company for the payment of the final dividend (the "**Proposed Dividend**"), the Share Transfer Books and the Register of Members of the Company will be closed on 27 July 2023 for the preparation of dividend warrants.

Duly completed and stamped transfers (together with all relevant documents of or evidencing title) received by the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902, up to 5.00 p.m. on 26 July 2023 will be registered to determine shareholders' entitlements to the Proposed Dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited ("**CDP**") are credited with ordinary shares of the Company as at 5.00 p.m. on 26 July 2023 will be entitled to the Proposed Dividend. The Company will pay the Proposed Dividend to CDP, which will, in turn, distribute the entitlements to the Proposed Dividend to CDP account-holders in accordance with its normal practice.

The Proposed Dividend, if approved by shareholders, will be paid on 11 August 2023.

EXPLANATORY NOTES:

1. In relation to Ordinary Resolution Nos. 3.1, 3.2 and 3.3, Mr Tang Kin Fei, Mr Wee Siew Kim and Mr Mak Swee Wah 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. Mr Tang will, upon re-election, continue to serve as the Chairman of the Board, the Chairman of the Nominating Committee, the Chairman of the Compensation & HR Committee and the Chairman of the Executive Committee. Mr Wee will, upon re-election, continue to serve as a member of the Compensation & HR Committee and a member of the Board Safety & Risk Committee. Mr Mak will, upon re-election, continue to serve as a member of the Nominating Committee and a member of the Board Safety & Risk Committee. Mr Tang and Mr Wee are considered independent Directors, and Mr Mak is considered a non-independent Director.

2. In relation to Ordinary Resolution Nos. 4.1 and 4.2, 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. Ms Chong Chuan Neo and Ms Tan Tze Gay were appointed on 1 October 2022 and 28 October 2022, respectively, and they are therefore seeking re-election at the Annual General Meeting pursuant to Article 96. Ms Chong will, upon re-election, continue to serve as a member of the Audit Committee, a member of the Nominating Committee and a member of the Technology Advisory Committee. Ms Tan will, upon re-election, continue to serve as a member of the Audit Committee and a member of the Board Sustainability Committee. Ms Chong and Ms Tan are considered independent Directors.

3. Ordinary Resolution No. 5, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is, during FY2023/24. The amount of Directors' fees is computed based on the anticipated number of Board meetings for FY2023/24, 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. In the event that the amount proposed is insufficient, approval will be sought at the next Annual General Meeting for payments to meet the shortfall.

   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. Mr Ng Chin Hwee, who is currently the Chief Executive Officer ("**CEO**") of the Company and does not receive any Directors' fees, will retire as CEO and Director with effect from 1 October 2023. Mr Chin, who has been appointed as CEO-Designate with effect from 1 June 2023, will not receive any Directors' fees following such appointment.

4. Ordinary Resolution No. 7.1, 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 24 May 2023, the Company had 2,126,738 treasury shares and no subsidiary holdings.

5. Ordinary Resolution No. 7.2, 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. 7.2 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. 7.3, 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 21 June 2023 (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. 7.4, 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 2023, based on certain assumptions, are set out in paragraph 3.7 of the Letter. Please refer to the Letter for more details.

NOTES:

Format of Meeting

1. The Annual General Meeting will be held, in a wholly physical format, at Garden Ballroom, Level 1, Parkroyal Collection Marina Bay Singapore, 6 Raffles Boulevard, Singapore 039594 on Thursday, 20 July 2023 at 10.00 a.m.. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the Annual General Meeting by attending the Annual General Meeting in person. **There will be no option for shareholders to participate virtually.**

Access to Documents

2. Printed copies of this Notice and the accompanying proxy form will be sent by post to members. These documents will also be published 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.

   The Annual Report FY2022/23 and the Letter to Shareholders dated 21 June 2023 (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 FY2022/23 may be accessed at the URL https://www.siaec.com.sg/annual_report.html by clicking on the hyperlink for "FY2022/23 Annual Report"; and

   (b) the Letter to Shareholders dated 21 June 2023 may be accessed at the URL https://www.siaec.com.sg/shareholder_meetings.html by clicking on the hyperlink for "Letter to Shareholders" under "2023".

   The above documents will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Members may request for printed copies of these documents by completing and returning the request slip (sent to them by post together with printed copies of this Notice and the accompanying proxy form) by 30 June 2023.

Submission of Questions

3. Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting in advance of the Annual General Meeting:

   (a) via email to the Company's Share Registrar, M & C Services Private Limited, at GPE@mncsingapore.com, or to the Company at siaec_agm@singaporeair.com.sg; or

   (b) by post to the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902.

   When submitting questions via email or by post, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's email address; and (iii) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes.

   All questions submitted in advance must be received by 5.00 p.m. on 30 June 2023.

4. The Company will address all substantial and relevant questions received from shareholders by the 30 June 2023 deadline by publishing its responses to such questions on its corporate 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 at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing proxy(ies). The Company will respond to questions or follow-up questions submitted after the 30 June 2023 deadline either within a reasonable timeframe before the Annual General Meeting, or at the Annual General Meeting itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

5. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting, at the Annual General Meeting itself.

Appointment of Proxy(ies)

6. (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.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

7. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

8. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted personally or 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 via email to the Company's Share Registrar at GPE@mncsingapore.com,

   and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the Annual General Meeting.

9. CPF and SRS investors:

   (a) may vote 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 10 July 2023.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (a) 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 and representatives 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**"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (c) 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

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 Tang Kin Fei	Mr Wee Siew Kim	Mr Mak Swee Wah	Ms Chong Chuan Neo	Ms Tan Tze Gay
Announcement Details	**Announcement of Appointment of Non-Executive / Independent Director**	**Announcement of Appointment of Non-Executive / 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 May 2017	8 May 2017	1 April 2020	1 October 2022	28 October 2022
Age	72	62	62	60	58
Country of principal residence	Singapore	Singapore	Singapore	Singapore	Singapore
Date of last re-appointment (if applicable)	17 July 2020	17 July 2020	17 July 2020	N.A.	N.A.
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 Tang'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 Tang will continue to contribute to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Mr Wee'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 Wee will continue to contribute to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Mr Mak'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 Mak will continue to contribute to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Ms Chong'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 Ms Chong will continue to contribute to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Ms Tan'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 Ms Tan 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	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Independent Director Chairman Chairman, Nominating Committee Chairman, Compensation & HR Committee Chairman, Executive Committee	Non-Executive and Independent Director Member, Compensation & HR Committee Member, Board Safety & Risk Committee	Non-Executive and Non-Independent Director Member, Nominating Committee Member, Board Safety & Risk Committee	Non-Executive and Independent Director Member, Audit Committee Member, Nominating Committee Member, Technology Advisory Committee	Non-Executive and Independent Director Member, Audit Committee Member, Board Sustainability Committee
Professional qualifications	Bachelor of Mechanical Engineering (First Class Honours), University of Singapore Advanced Management Programme, INSEAD, France	Bachelor of Science in Aeronautical Engineering (Honours), Imperial College of Science and Technology and Medicine Master of Business Administration, Graduate School of Business, Stanford University Fellow, City and Guilds of London Institute	Master of Science in Operational Research Bachelor of Science in Accounting and Finance (First Class Honours) The London School of Economics and Political Science	Bachelor of Science (Computer Science and Mathematics), National University of Singapore	Bachelor of Laws (Honours, Second Upper), National University of 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	Nil	Nil	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Mr Mak is the Chief Operations Officer of Singapore Airlines Ltd, which is a substantial shareholder of the Company	Nil	Nil
Working experience and occupation(s) during the past 10 years	1. Metis Energy Limited, Executive Chairman, May 2023 to present 2. Sembcorp Industries Ltd, Advisor, April to May 2017 3. Sembcorp Industries Ltd, Group President & CEO, 2005 to March 2017	1. Nipsea Group, Group Chief Executive Officer; and 2. Nippon Paint Holdings. Co. Ltd. Co-President, Representative Executive Officer	1. Singapore Airlines Ltd, Chief Operations Officer, June 2023 to present 2. Singapore Airlines Ltd, Executive Vice President Operations, April 2020 to May 2023 3. Singapore Airlines Ltd, Executive Vice President Commercial, 2011 to March 2020	1. Accenture Greater China, Chairman & Country Managing Director, 2015 to 2018 2. Accenture, Asia Pacific Regional Managing Partner, 2005 to 2015	1. Allen & Gledhill LLP, Head of Equity Capital Markets & Partner
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	Yes
Shareholding interest in the listed issuer and its subsidiaries	20,000 ordinary shares of SIA Engineering Company Limited (Deemed Interest)	Nil	Nil	Nil	5,000 ordinary shares of SIA Engineering Company Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

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Name of person	Mr Tang Kin Fei	Mr Wee Siew Kim	Mr Mak Swee Wah	Ms Chong Chuan Neo	Ms Tan Tze Gay
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).					
Past (for the last five years)	1. Singapore Chinese Chamber of Commerce and Industry, Council Member 2. National Research Foundation, Board Member 3. Ngee Ann Polytechnic, Council Chairman	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 Tasyunu Sanayani Ve Ticaret A.S., Director 14. Faber Union Ltd, Director 15. Neteks Boya Teknolojileri A.S., Director 16. Ideal Firca Ve Rulo Sanayi A.S., Director 17. Nippon Paint (India) Pte Ltd, Director 18. Mapletree Logistics Trust Management Ltd, Director 19. Nippon Paint Malaysia (S) Pte Ltd, Director 20. Nippon Paint Industrial Coatings (Shanghai) Co., Ltd., Director 21. BK & NP Automotive Coatings (ShangHai) Co., Ltd., Director 22. Nippon Paint (Hubei) Co., Ltd., Director 23. Nippon Paint (Zhengzhou) Co., Ltd., Director 24. Nippon Paint (KunMing) Co., Ltd., Director 25. Nippon Paint (Henan) Co., Ltd., Director 26. Nippon Paint Building Solutions (Shanghai) Co., Ltd., Director 27. Nippon Paint New Materials (Tianjin) Co., Ltd., Director 28. Zhenfucai Materials Technology (Chengdu) Co., Ltd, Director 29. Nippon Paint New Materials (Nanjing) Co., Ltd, Director 30. Nippon Paint New Materials (Jiangsu) Co., Ltd, Director	1. Singapore Airlines Cargo Pte. Ltd, Director 2. TATA SIA Airlines Limited, Director	1. Accenture Singapore Pte Ltd, Director 2. Newspage Pte Ltd, Director 3. Aimazing Pte Ltd, Director 4. Graduate Investment (NUS GRIP) Pte Ltd, Director 5. vKirirom Pte Ltd, Director 6. Digital Task Force, National Volunteer & Philanthropy Centre, Adviser 7. NUS Innovation & Enterprise, Executive Council Member 8. Boost Holdings Sdn Bhd (Malaysia), Director	Nil

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 Tang Kin Fei	Mr Wee Siew Kim	Mr Mak Swee Wah	Ms Chong Chuan Neo	Ms Tan Tze Gay
Past (for the last five years) (continued)		31. Nippon Paint And Surface Chemicals Pvt. Ltd, Director 32. Nippon Paint Automotive Europe GmbH, Director 33. Nippon Paint Pakistan (Private) Limited., Director 34. Nippon Paint (Bangladesh) Private Limited., Director			
Present	1. Metis Energy Limited, Executive Chairman 2. Singapore LNG Corporation Pte Ltd, Chairman 3. Summit Power International Ltd, Director 4. Singapore Cooperation Enterprise, Chairman 5. Kwong Wai Shiu Hospital, Vice-Chairman 6. Kwong Wai Shiu Hospital Foundation, Chairman 7. Athena Energy Holdings Pte Ltd, Director 8. Vietrof RE Pte. Ltd., Director 9. Metis Solar Pte Ltd, Director 10. Thermodynamics Technology Asia Limited, Director 11. Thermodynamics Technology Pte. Ltd., Director 12. Red Dot Energy and Technology Asia Pte Ltd, Director	1. Singapore Telecommunications Limited, Director 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) Co., Pte. Ltd., Director 7. Nippon Paint (Vietnam) Co., Ltd., Director 8. Nippon Paint Vietnam (Hanoi) Co., Ltd., Director 9. Nippon Paint (Malaysia) Sdn. Bhd., Director 10. Paint Marketing Co. (M) Sdn. Bhd., Director 11. Nippon Paint (Thailand) Co., Ltd., Director 12. Nipsea Chemical Co., Ltd., Director 13. Nippon Paint (H.K.) Co., Ltd., Director 14. Nippon Paint (China) Co., Ltd., Director 15. Nippon Paint (H.K.) Co Ltd Taiwan Branch, Director 16. GuangZhou Nippon Paint Co., Ltd., Director 17. Nippon Paint (ChengDu) Co., Ltd., Director 18. Nippon Paint (TianJin) Co., Ltd., Director 19. Langfang Nippon Paint Co., Ltd, Director 20. Nippon Paint China Holdings Co., Ltd., Director 21. Nippon Paint Decorative Coatings (Thailand) Co., Ltd., Director 22. Nippon Paint Coatings (Taiwan) Co., Ltd. (fka Asia Industries, Ltd.), Director 23. NP Auto Refinishes Co., Ltd., Director 24. Nippon Paint (ShenYang) Co., Ltd., Director 25. Nippon Paint Vinh Phuc Co., Ltd., Director 26. Nippon Paint Lanka (Private) Limited., Director 27. Nipsea Technologies Pte. Ltd., Director 28. HSJ Pte Ltd, Director 29. Guangdong Nippon Paint Changrunfa Technical Materials Co., Ltd, Director 30. Nippon Paint (Qingyuan) Co., Ltd., Director 31. DuluxGroup Limited, Director 32. Vital Technical Sdn Bhd, Director 33. Nippon Paint Energy Saving and Environmental Protection Technology (Shanghai) Co., Ltd., Director 34. Shanghai Nippon Paint Lomon New Materials Technology Co., Ltd., Director 35. Nippon Paint Holdings SG Pte Ltd, Director 36. Betek Boya Ve Kimya San. A.S., Director	1. SilkAir (Singapore) Private Limited, Chairman 2. Mount Faber Leisure Group Pte. Ltd., Director	1. Raffles Medical Group Ltd, Director 2. OCBC Bank Group Ltd, Director 3. Lion Global Investors Ltd, Director 4. iShine Cloud Ltd, Director 5. MODA Solutions (BCR Shanghai), Director 6. Partners Group Pte Ltd, Director	1. Singapore Telecommunications Limited, Director

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 Tang Kin Fei	Mr Wee Siew Kim	Mr Mak Swee Wah	Ms Chong Chuan Neo	Ms Tan Tze Gay
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	~~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	~~Yes~~ / No
(c)	Whether there is any unsatisfied judgment against him?	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No	~~Yes~~ / No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	~~Yes~~ / No	~~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	~~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	~~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 Tang Kin Fei	Mr Wee Siew Kim	Mr Mak Swee Wah	Ms Chong Chuan Neo	Ms Tan Tze Gay
(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	~~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	~~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	~~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	~~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	~~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	~~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	~~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	~~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 will be held, in a wholly physical format, at Garden Ballroom, Level 1, Parkroyal Collection Marina Bay Singapore, 6 Raffles Boulevard, Singapore 039594 on Thursday, 20 July 2023 at 10.00 a.m.. **There will be no option for shareholders to participate virtually**.
2. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
3. 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 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 10 July 2023.
4. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 21 June 2023.

*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	NRIC/Passport No.	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing him/her/them, 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 held at Garden Ballroom, Level 1, Parkroyal Collection Marina Bay Singapore, 6 Raffles Boulevard, Singapore 039594 on Thursday, 20 July 2023 at 10.00 a.m. 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.	Declaration of final dividend			
3.	Re-election of Directors who are retiring by rotation pursuant to Articles 90 and 91 of the Constitution of the Company:			
	3.1 Mr Tang Kin Fei			
	3.2 Mr Wee Siew Kim			
	3.3 Mr Mak Swee Wah			
4.	Re-election of Directors who are retiring pursuant to Article 96 of the Constitution of the Company:			
	4.1 Ms Chong Chuan Neo			
	4.2 Ms Tan Tze Gay			
5.	Approval of Directors' fees for financial year ending 31 March 2024			
6.	Re-appointment and remuneration of Auditors			
	Special Business			
7.1	Approval of the proposed renewal of the Share Issue Mandate			
7.2	Approval of the proposed renewal of the Share Plan Mandate			
7.3	Approval of the proposed renewal of the Mandate for Interested Person Transactions			
7.4	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 tick "√" in the **For** or **Against** box provided in respect of that resolution. Alternatively, please indicate the number of votes For or Against in the **For** or **Against** box provided in respect of that resolution. If you wish your proxy/proxies to **Abstain** from voting on a resolution, please indicate with a tick "√" in the **Abstain** box provided in respect of that resolution. Alternatively, please indicate the number of shares that 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 ______________ 2023.

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

1st fold here

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. (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.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.
3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted personally or 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 via email to the Company's Share Registrar at GPE@mncsingapore.com,

   and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the Annual General Meeting.

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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

3rd fold here

5. The instrument appointing a proxy(ies) must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing 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 personally or 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.
6. A corporation which is a member may also authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act 1967.
7. The appointment of a proxy(ies) shall not preclude a member from attending, speaking and voting in person at the Annual General Meeting. If a member attends the Annual General Meeting in person, the appointment of a proxy(ies) shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy(ies) to the Annual General Meeting.
8. The Company shall be entitled to reject the 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 received if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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CORPORATE INFORMATION

BOARD OF DIRECTORS
Chairman
Tang Kin Fei

DIRECTORS
Chua Bin Hwee
Lim Kong Puay
Raj Thampuran
Goh Choon Phong
Ng Chin Hwee
Wee Siew Kim
Mak Swee Wah
Chin Yau Seng
Chong Chuan Neo *(from 1 Oct 2022)*
Tan Tze Gay *(from 28 Oct 2022)*
Chew Teck Soon *(until 30 Apr 2022)*
Christina Hon Kwee Fong (Christina Ong) *(until 31 Dec 2022)*

Company Secretary
Lu Ling Ling

AUDIT COMMITTEE
Chairman
Chua Bin Hwee *(from 1 May 2022)*
Chew Teck Soon *(until 30 Apr 2022)*

Members
Raj Thampuran
Lim Kong Puay
Chong Chuan Neo *(from 1 Nov 2022)*
Tan Tze Gay *(from 1 Nov 2022)*
Christina Hon Kwee Fong (Christina Ong) *(until 31 Dec 2022)*
Chin Yau Seng *(until 31 May 2023)*

NOMINATING COMMITTEE
Chairman
Tang Kin Fei *(from 1 Jan 2023)*
Christina Hon Kwee Fong (Christina Ong) *(until 31 Dec 2022)*

Members
Mak Swee Wah
Chew Teck Soon *(until 30 Apr 2022)*
Chong Chuan Neo *(from 1 Nov 2022)*

COMPENSATION & HR COMMITTEE
Chairman
Tang Kin Fei

Members
Goh Choon Phong
Wee Siew Kim

BOARD SAFETY & RISK COMMITTEE
Chairman
Lim Kong Puay

Members
Wee Siew Kim
Raj Thampuran
Mak Swee Wah
Chin Yau Seng *(until 31 May 2023)*

EXECUTIVE COMMITTEE
Chairman
Tang Kin Fei

Members
Goh Choon Phong
Ng Chin Hwee
Chua Bin Hwee *(from 1 May 2022)*
Chin Yau Seng *(from 1 Jun 2023)*
Chew Teck Soon *(until 30 Apr 2022)*

TECHNOLOGY ADVISORY COMMITTEE
Chairman
Raj Thampuran

Members
Alan H. Epstein
Peter Ho
George Wang
Ng Chin Hwee
Shirley Wong
Mark Schulz
Chong Chuan Neo *(from 1 Nov 2022)*
Chin Yau Seng *(from 1 Jun 2023)*

BOARD SUSTAINABILITY COMMITTEE

Chairman
Lim Kong Puay *(from 1 Jan 2023)*
Christina Hon Kwee Fong (Christina Ong) *(until 31 Dec 2022)*

Members
Chua Bin Hwee
Ng Chin Hwee
Tan Tze Gay *(from 1 Nov 2022)*
Chin Yau Seng *(from 1 Jun 2023)*
Foo Kean Shuh

EXECUTIVE MANAGEMENT
Chief Executive Officer
Ng Chin Hwee

Chief Executive Officer–Designate
Chin Yau Seng *(from 1 Jun 2023)*

Executive Vice President Operations and Chief Sustainability Officer
Foo Kean Shuh

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 Corporate Planning & Continuous Improvement
David So Man Fung *(from 1 Feb 2023)*

Senior Vice President Human Resources
Chua Hock Hai

Senior Vice President Engine Services
Stefan Franz Heinrich Schmuck

Senior Vice President Base Maintenance
Jeremy Yew

Senior Vice President Component Services
Bernd Riggers *(from 16 Jan 2023)*

REGISTERED OFFICE
31 Airline Road
Singapore 819831
Tel: + 65 6541 5152
Fax: +65 6546 0679

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
Ong Li Qin
(appointed 1 Apr 2022)

SIA ENGINEERING COMPANY

SIA ENGINEERING COMPANY LIMITED
Singapore Company Reg. No.: 198201025C
SGX Trading Code: S59.SI
Registered Office: 31 Airline Road, Singapore 819831
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Fax: +65 6546 0679
www.siaec.com.sg

INVESTOR RELATIONS AND PUBLIC AFFAIRS
Tel: +65 6541 5152
Email: siaec_comms@singaporeair.com.sg

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