IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the notes, investors must not be (i) a U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**")) or (ii) located within the United States ("**U.S.**"). The attached information memorandum is being sent at your request and by accepting this e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the U.S. nor a U.S. person, as defined in Regulation S under the Securities Act nor are you acting on behalf of a U.S. person, the e-mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the notes described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA, is being made and (B) agree to be bound by the limitations and restrictions described therein.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents or information transmitted via this medium may be altered or changed during the process of transmission and consequently none of Changi Airport Group (Singapore) Pte. Ltd., DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Standard Chartered Bank (Singapore) Limited or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version.

Restrictions: The attached information memorandum is being furnished in connection with an offering of notes exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the subscription for or purchase of the notes described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION OR IN THE ATTACHED INFORMATION MEMORANDUM CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission or in the attached information memorandum constitutes an offer or an invitation by or on behalf of Changi Airport Group (Singapore) Pte. Ltd., DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch or Standard Chartered Bank (Singapore) Limited to subscribe for or purchase any of the notes described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering of notes do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of notes be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of notes shall be deemed to be made by the dealers or such affiliate on behalf of Changi Airport Group (Singapore) Pte. Ltd. in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to subscribe for or purchase any of the notes described therein.**

Actions that You May Not Take: If you receive the attached information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any notes by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive the attached information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

INFORMATION MEMORANDUM DATED 5 FEBRUARY 2021

CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.

(Incorporated in the Republic of Singapore on 16 June 2009)
(UEN/Company Registration No. 200910817N)

S$2,000,000,000
Multicurrency Medium Term Note Programme
(the "Programme")

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"). Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") to be issued from time to time by Changi Airport Group (Singapore) Pte. Ltd. (the "**Issuer**") pursuant to the Programme may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

(1) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the "**SFA**" is a reference to the Securities and Futures Act (Chapter 289 of Singapore) and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in connection with the Programme and application will be made for the listing and quotation of any Notes that may be issued under the Programme and which are agreed at or prior to the time of the issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of any Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Notes. Unlisted Notes may also be issued under the Programme. The relevant Pricing Supplement (as defined herein) in respect of any Series (as defined herein) will specify whether or not such Notes will be listed, and if so, which exchange(s) the Notes are to be listed on.

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT (AS DEFINED HEREIN) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND INCLUDES NOTES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

Arrangers

DBS HSBC Standard Chartered

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NOTICE

DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank (Singapore) Limited (each an "**Arranger**" and together, the "**Arrangers**") have been authorised by the Issuer to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and its associated companies (if any), the Programme and the Notes. The Issuer, having made all reasonable enquiries, confirms that this Information Memorandum contains all information which is material in the context of the Programme and the issue and offering of the Notes, that the information contained herein is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, and that there are no other facts the omission of which in the context of the Programme or the issue and offering of the Notes would make any such information or expressions of opinion, expectation or intention misleading in any material respect as at the date of this Information Memorandum.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section on "*Summary of the Programme*" in this Information Memorandum)) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Note (as defined herein) or a Permanent Global Note (as defined herein) which will be deposited on the issue date with either CDP (as defined herein) or a common depositary for Euroclear (as defined herein) and Clearstream, Luxembourg (as defined herein) or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to herein) shall be S$2,000,000,000 (or its equivalent in any other currencies) or such other amount as may be determined by the Issuer from time to time in accordance with the terms of the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Arrangers or any of the Dealers. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or its associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, or constitutes an offer of, or solicitation or invitation by or on behalf of the Issuer, any of the Arrangers or any of the Dealers to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum (or any part thereof) or any such other document or information (or any part thereof) and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information (or any part thereof) or into whose possession this Information Memorandum (or any part thereof) or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Notes have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States and includes Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, any of the Arrangers or any of the Dealers to subscribe for or purchase any of the Notes.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Notes from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons to whom offers may be made pursuant to Section 274 and/or Section 275 of the SFA (or such equivalent terms in the relevant jurisdictions where the Notes are subscribed for) and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or its associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arrangers and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arrangers, any of the Dealers and any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, the creditworthiness, prospects, financial condition or otherwise of the Issuer or its subsidiaries or its associated companies (if any). Further, none of the Arrangers and Dealers makes any representation or warranty as to the Issuer, its subsidiaries or its associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and/or the documents which are referred to in or incorporated by reference in, and form part of, this Information Memorandum or any other information provided by the Issuer or its officers, employees or agents in connection with the Notes or their distribution.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, any of the Arrangers or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective subscriber or purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition, affairs and the creditworthiness of the Issuer and its subsidiaries and its associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer, its subsidiaries and its associated companies (if any). Accordingly, notwithstanding anything herein, none of the Issuer, the Arrangers, the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or any part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or any part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or any part thereof).

To the fullest extent permitted by law, none of the Arrangers and Dealers accepts any responsibility for the contents of this Information Memorandum or for any other statement made or purported to be made by any of the Arrangers or any of the Dealers or on its behalf in connection with the Issuer, its subsidiaries and its associated companies (if any), the Programme or the issue and offering of the Notes. Each Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) the most recent publicly available audited consolidated financial statements and/or (if any) unaudited consolidated financial statements of the Issuer and/or the Group, and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein). For so long as any Notes are listed on the SGX-ST, copies of the most recent published audited consolidated financial statements of the Issuer and/or the Group and all other documents deemed incorporated by reference in this Information Memorandum will be made available on the website of the SGX-ST at www.sgx.com.

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Notes by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, any of the Arrangers or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under the section on "*Subscription, Purchase and Distribution*" in this Information Memorandum.

Any person(s) who is/are invited to purchase or subscribe for the Notes or to whom this Information Memorandum is furnished shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith, including this Information Memorandum, in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

Persons proposing to subscribe for or purchase any of the Notes should consult their own legal, financial, tax and other advisers before subscribing for or purchasing the Notes.

Prospective investors should pay attention to the risk factors set out in the section "*Risk Factors*".

In connection with the issue of any Tranche or Series of Notes, one or more Dealer(s) named as stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Notes is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Notes and 60 days after the date of the allotment of the relevant Series of Notes. Any stabilisation action will be conducted in accordance with the applicable laws.

Notification under Section 309B of the SFA

Unless otherwise stated in the Pricing Supplement in respect of any Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II product governance/target market

The applicable Pricing Supplement in respect of any Notes may include a legend titled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market

The applicable Pricing Supplement in respect of any Notes may include a legend titled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Prohibition of Sales to EEA Retail Investors

If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of Sales to UK Retail Investors

If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Non-FRS/Non-SFRS(I)/Non-IFRS Financial Measures

EBITDA in this Information Memorandum is a non-Singapore Financial Reporting Standards ("**FRS**") financial measure and represents operating profit before depreciation and amortisation expense, net finance costs and income tax expense. EBITDA and EBITDA Margin are supplemental financial measures of the Group's performance and liquidity, and are not required by, or presented in accordance with FRS, Singapore Financial Reporting Standards (International) ("**SFRS(I)**"), International Financial Reporting Standards ("**IFRS**") or any other generally accepted accounting principles. As presented in this Information Memorandum, EBITDA and EBITDA Margins were adjusted to exclude annual ground rents following the adoption of FRS 116 (Leases) in FY19/20. EBITDA is not a measurement of financial performance or liquidity under FRS, SFRS(I) or IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with FRS, SFRS(I) or IFRS or as an alternative to cash flows from operating activities as a measure of liquidity. In addition, EBITDA is not a standardised term, and hence may not be comparable to that of other companies that may determine EBITDA differently.

EBITDA has been presented because it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-FRS/non-SFRS(I)/non-IFRS financial measures when reporting their results. EBITDA is also presented as a supplemental measure of the Group's ability to service debt.

Nevertheless, EBITDA has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, the financial condition or results of operations of the Issuer and the Group as reported under FRS or SFRS(I). Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of the Issuer's and the Group's business.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "project", "aim", "seek", "may", "will", "would", "should" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or the Group (as defined herein) (including statements as to the Issuer's and/or the Group's revenue, profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and/or the Group, expected growth in the Issuer and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in the tax and regulatory regimes;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and/or the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, the discussion under the section on "*Risk Factors*" in this Information Memorandum.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer and/or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and other forward-looking statements (if any) in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arrangers and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer and/or the Group will be as discussed in those statements.

Neither the delivery or dissemination of this Information Memorandum (or any part thereof) nor the issue of any Notes by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer and/or the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arrangers and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**Agency Agreement**"	:	The agency agreement dated 15 June 2012 between (1) the Issuer, as issuer, (2) the Issuing and Paying Agent, as issuing and paying agent, (3) the Agent Bank, as agent bank, and (4) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**Agent Bank**"	:	The Bank of New York Mellon.
"**Air Navigation Order**"	:	Promulgated under Section 3 of the Air Navigation Act (Chapter 6 of Singapore), as amended or modified from time to time.
"**Arrangers**"	:	DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank (Singapore) Limited.
"**Board**"	:	The Board of Directors of the Issuer.
"**Business Day**"	:	A day (other than a Saturday or Sunday) on which CDP and commercial banks are open for business in Singapore.
"**CAAS**"	:	Civil Aviation Authority of Singapore.
"**CAAS Act**"	:	Civil Aviation Authority of Singapore Act (Chapter 41 of Singapore), as amended or modified from time to time.
"**CAI**"	:	Changi Airports International Pte. Ltd.
"**CDP**"	:	The Central Depository (Pte) Limited.
"**Changi Airport**"	:	Singapore Changi Airport, an airport declared under Section 3 of the CAAS Act.
"**Clearstream, Luxembourg**"	:	Clearstream Banking S.A., which reference includes its successors and permitted assigns.
"**Companies Act**"	:	Companies Act (Chapter 50 of Singapore), as amended or modified from time to time.
"**Couponholders**"	:	The holders of the Coupons.
"**Coupons**"	:	The interest coupons appertaining to an interest bearing, definitive Note.
"**Dealers**"	:	Persons appointed as dealers under the Programme.
"**Directors**"	:	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum.

"EBITDA"	:	Earnings before interest, tax, depreciation and amortisation.
"EBITDA Margin"	:	The ratio of EBITDA to revenue.
"Euroclear"	:	Euroclear Bank SA/NV, which reference includes its successors and permitted assigns.
"FY"	:	Financial year ended or ending 31 March.
"FY08/09"	:	Financial year ended 31 March 2009.
"FY10/11"	:	Financial year ended 31 March 2011.
"FY15/16"	:	Financial year ended 31 March 2016.
"FY17/18"	:	Financial year ended 31 March 2018.
"FY18/19"	:	Financial year ended 31 March 2019.
"FY19/20"	:	Financial year ended 31 March 2020.
"Global Note"	:	A global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons.
"Group"	:	The Issuer and its subsidiaries.
"Issuer"	:	Changi Airport Group (Singapore) Pte. Ltd.
"Issuing and Paying Agent"	:	The Bank of New York Mellon.
"ITA"	:	Income Tax Act (Chapter 134 of Singapore), as amended or modified from time to time.
"Latest Practicable Date"	:	22 January 2021.
"MAS"	:	The Monetary Authority of Singapore.
"mppa"	:	million passenger movements per annum.
"Noteholders"	:	The holders of the Notes.
"Notes"	:	The notes to be issued by the Issuer under the Programme.
"Permanent Global Note"	:	A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note.

"**Pricing Supplement**"	:	In relation to a Tranche or Series, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series.
"**Programme**"	:	The S$2,000,000,000 Multicurrency Medium Term Note Programme of the Issuer.
"**Programme Agreement**"	:	The programme agreement dated 15 June 2012 made between (1) the Issuer, as issuer, (2) DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank, as arrangers, and (3) DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank, as dealers, as amended by the Programme Agreement Amendment Letter (as defined below), and as amended, varied or supplemented from time to time.
"**Programme Agreement Amendment Letter**"	:	The amendment letter dated 5 February 2021 made between (1) the Issuer, as issuer, and (2) DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank (Singapore) Limited (who, with effect from 5 February 2021, has been appointed as an arranger and dealer under the Programme following the termination of Standard Chartered Bank as an arranger and dealer under the Programme), as arrangers and dealers.
"**Securities Act**"	:	Securities Act of 1933 of the United States, as amended or modified from time to time.
"**Series**"	:	(1) (in relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"**SFA**"	:	Securities and Futures Act (Chapter 289 of Singapore), as amended or modified from time to time.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**Shares**"	:	Ordinary shares in the capital of the Issuer.
"**Temporary Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series on issue.

"**Tranche**"	:	Notes which are identical in all respects (including as to listing).
"**Trust Deed**"	:	The trust deed dated 15 June 2012 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**Trustee**"	:	The Bank of New York Mellon.
"**United States**" or "**U.S.**"	:	United States of America.
"**S$**" or "**SGD**" and "**cents**"	:	Singapore dollars and cents respectively.
"**sqm**"	:	Square metres.
"**%**"	:	Per cent.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Board of Directors	:	Mr Tan Gee Paw Mr Lee Seow Hiang Mrs Tan Ching Yee Mr Lim Zhi Jian (Alternate Director to Mrs Tan Ching Yee) Mr Michael George William Barclay Mr Chia Song Hwee Mr Kee Teck Koon Professor Tan Kong Yam Mr Ng Chee Khern Brigadier General ("**BG**") Fan Sui Siong Kelvin Mrs Chng Sok Hui Ms Kwa Kim Li Mr Abdul Wahab bin Mohamed Yusoff
Company Secretaries	:	Ms Jessie Loong Ms Ng Wei Foong Fiona
Registered Office	:	60 Airport Boulevard #046-037 Changi Airport Terminal 2 Singapore 819643
Independent Auditors to the Issuer	:	PricewaterhouseCoopers LLP 7 Straits View Marina One, East Tower, Level 12 Singapore 018936
Arrangers of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982 The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch 10 Marina Boulevard #45-01 Marina Bay Financial Centre Tower 2 Singapore 018983 Standard Chartered Bank (Singapore) Limited 8 Marina Boulevard, Level 20 Marina Bay Financial Centre, Tower 1 Singapore 018981
Legal Advisers to the Arrangers	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542

Legal Advisers to the Issuer	:	WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Issuing and Paying Agent and Agent Bank	:	The Bank of New York Mellon One Temasek Avenue #02-01 Millenia Tower Singapore 039192
Trustee for the Noteholders	:	The Bank of New York Mellon One Temasek Avenue #02-01 Millenia Tower Singapore 039192

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	Changi Airport Group (Singapore) Pte. Ltd.
Legal Entity Identifier of the Issuer	:	254900V9XB1QB06HGD06
Arrangers	:	DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank (Singapore) Limited.
Dealers	:	DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Standard Chartered Bank (Singapore) Limited and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	The Bank of New York Mellon.
Issuing and Paying Agent and Agent Bank	:	The Bank of New York Mellon.
Description	:	Multicurrency Medium Term Note Programme.
Programme Size	:	The maximum aggregate principal amount of the Notes outstanding at any time shall be S$2,000,000,000 (or its equivalent in other currencies) or such other amount as may be determined by the Issuer from time to time in accordance with the Programme Agreement.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).

Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s). Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the terms and conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their principal amount or at a discount to their principal amount and will not bear interest other than in the case of late payment.

Form and Denomination of Notes	:	The Notes will be issued in bearer form only and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, as described therein, either for a Permanent Global Note or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, as described therein, in whole (but not in part) for definitive Notes upon the terms therein.
Custody of the Notes	:	Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream Luxembourg.
Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
Redemption at the Option of Noteholders	:	Following the occurrence of a Put Option Event (as defined below), the holder of any Note will have the right, at such holder's option, to require the Issuer to redeem such Note at its redemption amount (together with interest accrued to (but excluding) the date fixed for redemption) on the date falling 60 days (or, if that day is not a business day, on the immediately following business day) from the date of the exercise by the holder of such option. The Issuer will give notice to the Noteholders within ten business days of the occurrence of a Put Option Event in accordance with Condition 14. To exercise such option, a Noteholder shall deposit any Notes to be redeemed with any Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for redemption, together with a duly completed option exercise notice in the form obtainable from any Paying Agent, no later than 21 days from the date of the Issuer's notice to the Noteholders of the occurrence of such Put Option Event (or such longer period, not exceeding 45 days, as the Issuer may notify to the Noteholders in such notice). Any Notes so deposited may not be withdrawn. For the purpose of this paragraph, a "**Put Option Event**" occurs at the first point in time when no member of the Group holds a valid airport licence from CAAS under the CAAS Act to operate any part of Changi Airport.

Redemption for Taxation Reasons	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their redemption amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 4(h)) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent a certificate signed by a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.
Negative Pledge	:	None.
Financial Covenants	:	None.
Events of Default	:	See Condition 8 of the Notes.
Taxation	:	All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see Condition 6 of the Notes and the section on "*Singapore Taxation*" herein.

Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). Unlisted Notes may also be issued under the Programme. The relevant Pricing Supplement in respect of any Series will specify whether or not such Notes will be listed, and if so, which exchange(s) the Notes are to be listed on.
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "*Subscription, Purchase and Distribution*" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Others	:	The Issuer has agreed with the Trustee in the Trust Deed that it will send to the Trustee, with each set of accounts delivered by it under Clause 14.5 of the Trust Deed and within 14 days after any request in writing by the Trustee, a certificate signed by its Director or its authorised signatory to the effect that, to the best of his knowledge, information and belief: (i) there did not exist, as at a date not more than seven business days (as defined in the Trust Deed) prior to the date of the certificate, and there had not existed since the date as of which the last such certificate was given (or, in the case of the first such certificate, the date of the Trust Deed) any Event of Default (as defined in the Trust Deed) or, if such an Event of Default did then exist or had so existed, specifying the same; and (ii) during the period between the date as of which the last such certificate was given (or, in the case of the first such certificate, the date of the Trust Deed) and the date as of which such certificate is given, it has complied with its obligations contained in the Trust Deed or, if such is not the case, specifying the circumstances of such non-compliance. Noteholders are to note that the undertaking in paragraph (i) above does not include any certifications relating to a Potential Event of Default (as defined in the Trust Deed).
Governing Law	:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed (as amended and supplemented, the "**Trust Deed**") dated 15 June 2012 made between (1) Changi Airport Group (Singapore) Pte. Ltd. (the "**Issuer**") and (2) The Bank of New York Mellon (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended and supplemented, the "**Deed of Covenant**") dated 15 June 2012, relating to the Notes executed by the Issuer. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and Coupons referred to below. The Issuer has entered into an Agency Agreement (as amended and supplemented, the "**Agency Agreement**") dated 15 June 2012 made between (1) the Issuer, (2) The Bank of New York Mellon, as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**") and agent bank (in such capacity, the "**Agent Bank**"), and (3) the Trustee, as trustee. The Noteholders and the holders of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes (the "**Couponholders**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form in each case in the Denomination Amount shown hereon.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Notes are serially numbered and issued with Coupons attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 5(f)) in these Conditions are not applicable.

(b) Title

(i) Title to the Notes and the Coupons appertaining thereto shall pass by delivery.

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Note and such Global Note is held by a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, interest and any other amounts in respect of the Notes, for which purpose the bearer of the Global Note shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Note, and held by Euroclear, Clearstream, Luxembourg and/or the Depository will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository, as the case may be.

(iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Noteholder**" means the bearer of any Definitive Note and "**holder**" (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, "**Series**" means (a) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (i) expressed to be consolidated and forming a single series and (ii) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (b) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

3. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its Calculation Amount (as defined in Condition 3(II)(d)) from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 3(I) to the Relevant Date (as defined in Condition 6).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 3(II)(c)) in respect of any Variable Rate Note for any Interest Period (as defined below) relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 3(II) to the Relevant Date.

(b) Rate of Interest – Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "**Spread**" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 3(V)(a).

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);

(B) if no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed “SGD SIBOR” (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Interest Determination Date two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any) or if on such Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotation, the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Agent Bank as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME” under the column headed “SGD SWAP OFFER” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Average Swap Rate (which shall be rounded up, if necessary, to four decimal places) for such Interest Period in accordance with the following formula:

In the case of Premium:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate which appears under the caption "SINGAPORE INTERBANK OFFER RATES (SIBOR) – USD SIBOR – Reference Bank Rates – Rates Fixed at 11.00 AM Singapore Time on the Reuters Screen SIBO Page of the Reuters Monitor Money Rates Service (or such other page as may replace the Reuters Screen SIBO Page for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Spot Rate = the rate (determined by the Agent Bank) to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ABS SIBOR FIX – SGD SPOT AND SWAP OFFER RATES AT 11:00 HRS SINGAPORE TIME" and the column headed "SPOT" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Premium or Discount	=	the rate (determined by the Agent Bank) to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ABS SIBOR FIX – SGD SPOT AND SWAP OFFER RATES AT 11:00 HRS SINGAPORE TIME" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and
T	=	the number of days in the Interest Period concerned.

The Rate of Interest for such Interest Period shall be the Average Swap Rate (as determined by the Agent Bank) and as adjusted by the Spread (if any);

(C) if on any Interest Determination Date any one of the components for the purposes of calculating the Average Swap Rate under (B) above is not quoted on the relevant Reuters Screen Page (or such other replacement page as aforesaid) or the relevant Reuters Screen Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of the Reference Banks to provide the Agent Bank with quotations of their Swap Rates for the Interest Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the Swap Rates quoted by the Reference Banks to the Agent Bank) and as adjusted by the Spread (if any). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Interest Period concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{365}{360} \text{ x SIBOR} + \frac{(\text{Premium x } 36500)}{(\text{T x Spot Rate})} + \frac{(\text{SIBOR x Premium})}{(\text{Spot Rate})} \text{ x } \frac{365}{360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{365}{360} \text{ x SIBOR} - \frac{(\text{Discount x } 36500)}{(\text{T x Spot Rate})} - \frac{(\text{SIBOR x Discount})}{(\text{Spot Rate})} \text{ x } \frac{365}{360}$$

where:

SIBOR	=	the rate per annum at which United States dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;
Spot Rate	=	the rate at which that Reference Bank sells United States dollars spot in exchange for Singapore dollars in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;
Premium	=	the premium that would have been paid by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market;
Discount	=	the discount that would have been received by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market; and
T	=	the number of days in the Interest Period concerned; and

(D) if on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with quotations of their Swap Rate(s), the Average Swap Rate shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and the Rate of Interest for the relevant Interest Period shall be the Average Swap Rate (as so determined by the Agent Bank) and as adjusted by the Spread (if any), or if on such Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(c) Rate of Interest – Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) (1) The Issuer has undertaken in the Agency Agreement that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day notify the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period.

(2) The Issuer will cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request pursuant to the Agency Agreement.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "**Spread**" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 3(V)(a).

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 3(II)(b)(ii) above (mutatis mutandis) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(d) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office and (c) (if a payment is to be made on that day) (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Agent Bank;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank (after consultation with the Issuer) in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment

Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 3(III) to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on the first day of the Floating Rate Period and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 3(III) to the Relevant Date.

(iv) The provisions of Condition 3(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 4(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 4(h)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable in respect of any Floating Rate Note, Variable Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest or proven error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer as soon as practicable after each Interest Determination Date but in no event later than the fourth business day after each Interest Determination Date. In the case of Floating Rate Notes and Hybrid Notes in respect of the Floating Rate Period, the Agent Bank will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 14 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating

Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 8, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign its duties without a successor having been appointed as aforesaid.

4. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of the Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 8, 9 and 10.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of Notes.

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit any Variable Rate Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 8, 9 and 10.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit any Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 8, 9 and 10.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of Noteholders

(i) If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(ii) Following the occurrence of a Put Option Event (as defined below), the holder of any Note will have the right, at such holder's option, to require the Issuer to redeem such Note at its Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption) on the date falling 60 days (or, if that day is not a business day, on the immediately following business day) from the date of the exercise by the holder of such option. The Issuer will give notice to the Noteholders within ten business days of the occurrence of a Put Option Event in accordance with Condition 14. To exercise such option, a Noteholder shall deposit any Notes to be redeemed with any Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for redemption, together with a duly completed option exercise notice in the form obtainable from any Paying Agent, no later than 21 days from the date of the Issuer's notice to the Noteholders of the occurrence of such Put Option Event (or such longer period, not exceeding 45 days, as the Issuer may notify to the Noteholders in such notice). Any Notes so deposited may not be withdrawn. For the purpose of this Condition, a "**Put Option Event**" occurs at the first point in time when no member of the Group holds a valid airport licence from CAAS (as defined in the Trust Deed) under the CAAS Act (as defined in the Trust Deed) to operate any part of Changi Airport (as defined in the Trust Deed).

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 4(h)) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent a certificate signed by a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(g) Purchases

The Issuer or any of its subsidiaries may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer or any of its subsidiaries may be surrendered by the purchaser through the Issuer to the Issuing and Paying Agent for cancellation or may at the option of the Issuer or relevant subsidiary be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 4(f) or upon it becoming due and payable as provided in Condition 8, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of Condition 4(h)(iii), the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 4(f) or upon it becoming due and payable as provided in Condition 8 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 4(h)(ii), except that Condition 4(h)(ii) shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 4(h)(iii) will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 3(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(i) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Issuing and Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

5. Payments

(a) Principal and Interest

Payments of principal and interest in respect of the Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Issuing and Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(b) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 6. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) Appointment of Agents

The Issuing and Paying Agent and its specified office are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent and to appoint additional or other Issuing and Paying Agents, provided that it will at all times maintain an Issuing and Paying Agent having a specified office in Singapore.

Notice of any such change or any change of any specified office will be given to the Noteholders within the time specified in the Agency Agreement in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the Trustee and the Agents without the consent or sanction of any Noteholder or Couponholder if, in the opinion of the Trustee, (i) such modification is expedient to make and will not be materially prejudicial to the interests of the Noteholders, or (ii) such modification is of a formal, minor or technical nature, to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg and/or the Depository. Any such modification shall be binding on the Noteholders and Couponholders.

(d) Unmatured Coupons

(i) Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 7).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(iv) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note.

(e) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to one per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

6. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring compliance with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note or Coupon is presented for payment.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 14 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 4, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

7. Prescription

The Notes and Coupons shall become void unless presented for payment within three years from the appropriate Relevant Date for payment.

8. Events of Default

If any of the following events ("**Events of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay the principal of or any interest on any of the Notes when due and such failure to pay continues for a period of seven business days;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in Condition 8(a)) under the Trust Deed or any of the Notes and such default is not remedied within 30 business days after notice of such default shall have been given to the Issuer by the Trustee;

(c) any representation or warranty by the Issuer in any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and such event resulting in such non-compliance is not remedied within 30 business days after notice of such non-compliance shall have been given to the Issuer by the Trustee;

(d) (i) any other indebtedness of the Issuer in respect of borrowed money becomes due and payable prior to its stated maturity by reason of any default, event of default or any analogous event (however described);

(ii) any such indebtedness of the Issuer in respect of borrowed money is not paid when due or, as the case may be, within any grace period originally applicable thereto; or

(iii) the Issuer fails to pay when due or, as the case may be, within any grace period originally applicable thereto, any amount payable by it under any guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that no Event of Default will occur under this Condition 8(d) unless and until the aggregate amount of the indebtedness, guarantees and indemnities in respect of which one or more events mentioned above in this Condition 8(d) have occurred exceeds S$75,000,000 or its equivalent in other currencies;

(e) the Issuer is (or is deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or expressly declares its intention to stop or suspend payment of all or a material part of its indebtedness, proposes or enters into any agreement or arrangement for the deferral, rescheduling or other readjustment of all or a material part of its indebtedness (or of any material part which it will otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of the indebtedness of the Issuer;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the assets of the Issuer and is not dismissed, discharged or stayed within 60 days;

(g) any security on or over the whole or any material part of the assets of the Issuer becomes enforceable and enforcement action relating thereto is taken and not dismissed, discharged or stayed within 60 days;

(h) (i) any order is made, resolution is passed or meeting is convened for the winding-up of the Issuer or any step is taken by any person for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer or over the whole or any material part of the assets of the Issuer and (ii) in each case is not dismissed, discharged or stayed within 60 days;

(i) the Issuer ceases or (through the official action of the board of directors) threatens to cease to carry on all or any material part of its business. For the avoidance of doubt, the Issuer not directly holding a valid airport licence from CAAS under the CAAS Act to operate any part of Changi Airport but owning a subsidiary which holds such a licence shall not by itself constitute an Event of Default under this Condition 8(i);

(j) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 13.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable) and such default continues for 30 business days after notice of such default shall have been given to the Issuer by the Trustee;

(k) it is or will become unlawful for the Issuer to perform or comply with any one or more of its payment or other material obligations under any of the Issue Documents or any of the Notes; and

(l) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in Conditions 8(e), 8(f), 8(g) or 8(h).

In these Conditions, "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

9. Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded by the Noteholders to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

10. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 10 per cent. of the principal amount of the Notes of any Series for the time being outstanding shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, inter alia, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree at any time or times, without the consent or sanction of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which is of a formal, minor or technical nature, is made to correct a manifest or proven error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

11. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent, or at the specified office of such other Issuing and Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 14, on payment by the claimant of any fees, costs and duties incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note or Coupon) and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

14. Notices

Notices to the holders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 14.

Until such time as any Definitive Notes (as defined in the Trust Deed) are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or the Depository for communication by it to the Noteholders, except that if the Notes are listed on the Singapore Exchange Securities Trading Limited and the rules of such exchange so require, notice will in any event be published in accordance with the first paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent. Whilst the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Issuing and Paying Agent through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given two days from the date of despatch to the Noteholders.

15. Governing Law and Jurisdiction

(a) The Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) The courts of Singapore are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes or Coupons and accordingly any legal action or proceedings arising out of or in connection with any Notes or Coupons may be brought in such courts.

16. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce or enjoy the benefit of any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

Issuing and Paying Agent
The Bank of New York Mellon
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192

THE ISSUER

1. INTRODUCTION

The Issuer was incorporated on 16 June 2009 as a private limited company under the Companies Act and the corporatisation of Changi Airport followed on 1 July 2009. It is wholly-owned by the Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act (Chapter 183 of Singapore).

The objectives of corporatisation were, amongst others, to enhance Changi Airport's competitiveness, to strengthen Singapore's aviation hub status, and to allow for more focused roles and greater flexibility, thereby enabling the restructured CAAS and the Issuer to better meet future challenges.

As part of the corporatisation process, under the CAAS Act, the airport undertaking (as defined in the CAAS Act) of CAAS was transferred to the Issuer. A master lease agreement was entered into between CAAS and the Issuer, whereby CAAS agreed to grant to the Issuer subleases of various lands, buildings and other property comprising Changi Airport (the "**Changi Airport Properties**") for the period from 1 July 2009 to 31 March 2042, both dates inclusive. The management, use and enjoyment of the Changi Airport Properties by the Issuer are subject to the terms and conditions contained therein.

As the owner and operator of Changi Airport, the Issuer undertakes airport operations and management, air hub development, commercial activities and airport emergency services. Domiciled in Singapore, the Issuer has its registered office at 60 Airport Boulevard, #046-037, Changi Airport Terminal 2, Singapore 819643.

Over the past three decades, Changi Airport has established itself as one of the world's leading airports with a track record of winning numerous awards and accolades. In 2019, Changi Airport was one of the world's busiest international airports and a major air hub in Asia. During FY19/20, Changi Airport handled approximately 62.9 million passenger movements. It also handled 1.97 million tonnes of cargo throughput in FY19/20. As at 31 December 2019, Changi Airport served more than 100 airlines including codeshares flying to more than 380 cities in about 100 countries and territories worldwide and operated over 90,000 sqm of retail space spread across the four terminals of Changi Airport.

In addition to being the owner and operator of Changi Airport, the Issuer also leverages its expertise in airport operations to provide airport management, development and consultancy services to other airports globally and, at times, taking on an equity stake in some of these airports. These activities are carried out through its wholly-owned subsidiary, CAI.

The Issuer also operates and manages Seletar Airport on a cost-recovery basis pursuant to a grant agreement entered into with CAAS, where CAAS reimburses the Issuer for the costs incurred by the Issuer in operating Seletar Airport. Seletar Airport strengthens Singapore's position as a vibrant aviation hub, serving as a gateway for business aviation and an enabler for the Seletar Aerospace Park. The financial results from the Issuer's operations at Seletar Airport are not material to the Group.

2. HISTORY AND BACKGROUND

Changi Airport began operations on 1 July 1981 as Singapore's principal airport and main international gateway. Terminal 1 of Changi Airport, with an annual passenger handling capacity of approximately 12 mppa, was built to handle the increasing aviation traffic which the previous principal airport of Singapore, Paya Lebar Airport, was not expected to be able to cope with. To support the growth of Singapore as an air cargo hub, the cargo complex at Changi Airport was gazetted as a free trade zone.

By 1984, a second runway was completed and in November 1990, Changi Airport's Terminal 2 opened for operations to meet growing passenger air traffic. This raised Changi Airport's annual passenger handling capacity to approximately 24 mppa. By the time Terminal 3 began operations in January 2008, Changi Airport's total maximum annual passenger handling capacity had been expanded to about 70 mppa, as annual passenger handling capacity had been increased over the years with expansion works carried out on then-existing terminals and the building of a budget terminal.

To meet the growth in air travel and better serve its customers, Changi Airport opened Terminal 4 on the site previously occupied by the budget terminal in October 2017. Terminal 4 serves both full service and budget carriers, offers an airport experience consistent with that of the other terminals and is designed to improve efficiency through the introduction of new initiatives such as end-to-end self-service options for passengers. Following the opening of its fourth terminal, Changi Airport's annual passenger handling capacity was raised to approximately 82 mppa.

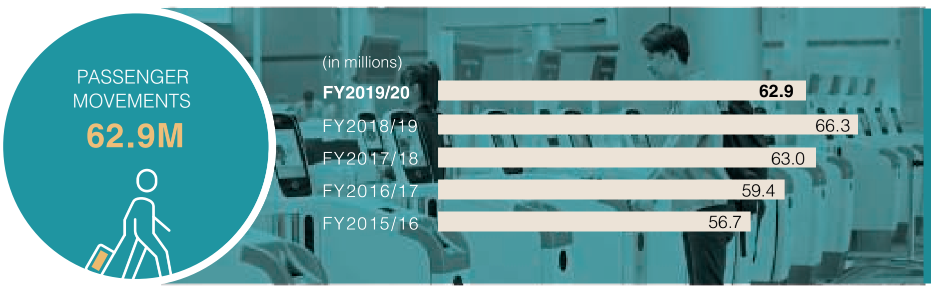
A joint venture between the Issuer and CapitaLand Limited, Jewel Changi Airport ("**Jewel**") was opened in April 2019. Jewel is built on the site of the former open-air carpark at Terminal 1. It is an aviation-related mixed-use complex, featuring gardens and attractions, including a 40-metre high indoor waterfall, as well as retail, entertainment and food and beverage offerings, a hotel and facilities for airport operations. To strengthen Changi Airport's appeal as a transit hub, Jewel houses an integrated multi-modal transport lounge offering dedicated services to fly-cruise and fly-ferry passengers, as well as early check-in facilities.

In conjunction with the development of Jewel, Terminal 1 also underwent expansion works to allow for a larger arrival hall, more baggage belts, and better connectivity to the other terminals and Jewel. The expansion works, completed in the first half of 2019, increased the floor area of its arrival and baggage claim halls by approximately 70%. The completion of Terminal 1's expansion works brought Changi Airport's annual passenger handling capacity to a total of approximately 85 mppa across all four terminals. The Issuer has also commenced Terminal 2's expansion project in January 2020. The expansion project will increase Changi Airport's annual passenger handling capacity by an estimated 5 mppa, which will bring the total annual passenger handling capacity to approximately 90 mppa when works are completed.

To cater to growing passenger and airfreight traffic, works for a major infrastructural development known as Changi East (the "**Changi East Project**") have commenced in order to provide additional future capacity for Changi Airport. As part of the Changi East Project, a fifth terminal at Changi Airport ("**Terminal 5**") will be built to increase Changi Airport's total annual passenger handling capacity. For further information, see the section titled "*Changi East Project*" below.

The following chart sets out Changi Airport's passenger movements and airfreight movements from FY15/16 to FY19/20:

<u>Passenger movements</u>



Airfreight movements

3. GROUP STRUCTURE

The Group comprises the Issuer and its subsidiaries. The significant subsidiaries of the Issuer are as follows: (i) CAI and its subsidiaries (including a 51% stake in Concessionaria Aeroporto Rio de Janeiro S.A. which operates Tom Jobim International Airport in Rio de Janeiro), (ii) Jewel Changi Airport Trust and (iii) Changi Travel Services Pte. Ltd.

Significant Subsidiaries	Equity Interest
Changi Airports International Pte. Ltd.	100%
Changi Travel Services Pte. Ltd.	100%
Jewel Changi Airport Trust	51%
Concessionaria Aeroporto Rio de Janeiro S.A.	51%

4. PRINCIPAL BUSINESS ACTIVITIES

As the owner and operator of Changi Airport, the Issuer's primary sources of revenue are derived from its regulated and non-regulated businesses. In FY19/20, Changi Airport was the key revenue contributor for the Group, accounting for approximately 85% of the Group's total revenue.

The primary driver for the Issuer's regulated and non-regulated revenue is passenger traffic. The Issuer's mission is to grow Singapore as a vibrant air hub by increasing passenger throughput and airfreight movement at Changi Airport, and by strengthening its connectivity to destinations around the world.

(a) Regulated Revenues from Changi Airport

The Issuer's regulated revenues are generated mainly from the aeronautical and security services provided to its airline customers and passengers, including the use of runways, taxiways, aprons and terminal facilities.

The Issuer collects fees from airlines for landing, parking and use of aerobridges. The Issuer also collects a passenger service and security fee ("**PSSF**") for every departing, transiting or transferring passenger at all terminals of Changi Airport to recover part of the cost of providing passenger and security services. In addition, the Issuer also collects franchise fees from parties operating at Changi Airport such as ground handlers.

CAAS is empowered under the CAAS Act to regulate the revenues that the Issuer can collect. For FY19/20, regulated revenues represented close to 50% of the Issuer's total revenue.

(b) Non-regulated Revenues from Changi Airport

Non-regulated revenues are largely generated from (i) the leasing of retail space under concession arrangements, (ii) the rental of office and warehouse space, and (iii) car parking facilities.

A substantial portion of the Issuer's non-regulated revenue is derived from leasing of retail space under concession arrangements. This constituted approximately 40% of the Issuer's total revenue for FY19/20.

To ensure that Changi Airport has an attractive and optimum tenant mix (including shops, food and beverage and services) at its terminals, the Issuer actively pursues and attracts quality brand names to Changi Airport and also continually refreshes the retail spaces at its terminals. The Issuer also undertakes various marketing and promotional activities to draw footfall and to stimulate spending at Changi Airport.

During the first 10 months of FY19/20, concession sales at Changi Airport rose 1.5% year-on-year ("**y-o-y**"). However, following the COVID-19 outbreak, depressed passenger traffic resulted in a significant negative impact on sales in the airport stores and Changi Airport ended FY19/20 with S$2.6 billion in concession sales, a y-o-y decrease of 9.2%.

The Issuer also generates non-regulated revenue from rental and service charges for the provision of office, lounge and storage premises across its terminals to cater to the business and operational needs of airport users. It also generates income from the rental of properties such as office and warehouse premises at Changi Airfreight Centre, an integrated 24-hour service centre for airfreight operated as a free trade zone, as well as from the provision of utilities and car parking facilities to airport users.

(c) Other Revenues from the Group

In FY19/20, Tom Jobim International Airport contributed S$299 million in revenue to the Group. This is a fall of S$38 million y-o-y as a result of challenging market conditions and the impact of COVID-19.

On the other hand, the highly anticipated opening of Jewel in April 2019 brought in an additional revenue source for the Group. While sales at Jewel was also affected by COVID-19 in the last two months of the financial year, Jewel's higher-than-expected number of visitors in its first year of operations helped to supplement the Group's topline with S$129 million in revenue in FY19/20.

5. BUSINESS STRATEGIES

The Issuer's key strategies to grow its core businesses are set out below:

(a) Building Changi Airport as a dynamic hub

The Issuer's revenue performance is highly dependent on passenger traffic. An increase in passenger traffic leads to an increase in both PSSF and concession fees. Changi Airport aims to be a leading air hub in Asia Pacific and it is well-positioned to participate in aviation growth over the next decade.

Over the years, the Issuer has undertaken various strategic programmes to increase Changi Airport's connectivity and to grow traffic. These initiatives include incentivising airlines to start routes to new destinations, helping new airlines start operations at Changi Airport, as well as rewarding airlines for passenger and cargo traffic growth. In

FY19/20, the Issuer welcomed six new airlines to commence operations at Changi Airport, increasing the number of airlines operating at Changi Airport to 92 excluding codeshares as at 31 December 2019.

The Issuer also carries out marketing efforts to promote travel to and through Singapore. The Issuer works with various airlines and trade partners to promote not only various destinations but also enhance Changi Airport's multi-modal links (e.g. fly-ferry, fly-cruise) to improve its tourism offerings and widen its catchment.

As at 31 December 2019, Changi Airport was connected to over 380 city links globally. These diverse air links, coupled with Singapore's growth potential, Changi Airport's strong relationships with its airline partners and liberal aviation policies, had helped turn Changi Airport into one of the busiest airports for international traffic in the world. As one of the best airports in terms of connectivity to Asia and the Southwest Pacific, Indonesia, China, Malaysia, Australia, Thailand, India, Japan, Philippines, Hong Kong and Vietnam formed the top 10 passenger markets for Changi Airport in 2019.

In FY19/20, Changi Airport handled 1.97 million tonnes of airfreight. The Issuer, together with CAAS, Enterprise Singapore and Workforce Singapore, announced its support of the air cargo community to pursue the International Air Transport Association's Centre of Excellence for Independent Validators for Perishable Logistics certification in November 2019, a first in Southeast Asia. This initiative strengthens Changi Airport's capabilities in the handling of perishable cargo and ensures that industry best practices are in place for the handling of such perishable products in Changi Airport. With increased freighter frequencies and the introduction of cargo-conveyance using passenger aircraft, the Issuer is able to ensure the timely distribution of cargo, especially vital commodities such as medical and food supplies, and minimise supply chain disruptions.

(b) Growing concession sales

The Issuer believes that it shares a symbiotic relationship with its retail partners. To grow concession income, it adopts a holistic approach which involves attracting quality concessionaires to operate at Changi Airport, continually improving the retail mix, and providing support to concessionaires by creating a conducive retail environment. It also proactively seeks out strategic partnerships with top international brands and partners to implement various marketing and promotion efforts.

In keeping with evolving digital trends and consumer spending habits, the Issuer also supports its tenants' expansion of their retail offerings beyond brick and mortar shops into the online space through its e-commerce portal, iShopChangi. With the growing popularity of online shopping, the Issuer has focused on building iShopChangi, expanding its inventory to more than 10,000 products. The Issuer also has its own loyalty programme, Changi Rewards, which boasts a membership base of over 1 million members. Such initiatives are a part of the Issuer's omni-channel strategy for customers to have an integrated and seamless retail experience at Changi Airport.

(c) Delivering world class customer service safely and efficiently

Service excellence has been a key driver of Changi Airport's success over the years and will continue to be the Issuer's focus. Changi Airport's terminals and airside are designed to optimise resources, improve operations and reduce passenger processing and baggage handling time. To keep pace with passenger growth, the Issuer continually strives to improve Changi Airport's operational efficiency by leveraging new technologies and redesigning processes. Apart from providing state-of-the-art facilities, the Issuer's priority has always been to deliver an excellent passenger experience. As an affirmation of the Issuer's efforts, Changi Airport has won more than 630 accolades since its opening in 1981. In May 2020, Changi Airport was named the World's Best Airport by Skytrax for the eighth consecutive year and the eleventh time in the history of the awards. In addition, it was also named best airport by size and region in 2019 by Airports Council International ("**ACI**"). For more information on the awards and accolades received by Changi Airport, please refer to the section below entitled "*Awards and Accolades*".

In addition, Changi Airport's efforts to ensure a safe and secure environment have allowed it to consistently achieve a deficiency-free rating by the International Federation of Air Line Pilots' Associations since 1981. To ensure a seamless and bio-safe passenger experience in light of COVID-19, Changi Airport has also introduced new measures allowing for contactless travel such as the use of new infrared proximity sensors at automated kiosks, and the upgrading of automated immigration lanes with a new biometric system that uses face and iris recognition technology for identity verification, replacing traditional fingerprint scanning.

(d) Continued investment in infrastructure capacity

The Issuer proactively plans for the growth of Changi Airport's operational facilities whilst maintaining service quality. Expanding operational facilities ahead of demand allows Changi Airport to provide a high level of service to both airlines and passengers. From a single terminal and runway in 1981 with an annual passenger handling capacity of approximately 12 mppa, Changi Airport has expanded to include four terminals and three runways (with a three-runway system in the works) as at the Latest Practicable Date. In the last decade alone, Changi Airport's annual passenger handling capacity has increased from approximately 70 mppa to approximately 85 mppa through the opening of Terminal 4 and the expansion of Terminal 1, and Changi Airport's annual passenger handling capacity is expected to increase to approximately 90 mppa after the completion of the Terminal 2 expansion project. To continue to cater for Changi Airport's next phase of growth, the Issuer has begun work on the Changi East Project. However, as announced on 16 June 2020, the construction of Terminal 5 will be paused for at least two years amid uncertainty about how the COVID-19 outbreak will change the aviation sector.

(e) Leveraging on the Issuer's expertise to deliver earnings from overseas airports

The Issuer's success on aviation services improvement at Changi Airport attracted numerous requests for consultancy services from airports around the world. CAI, a wholly-owned subsidiary of the Issuer, spearheads aviation consultancy services, management projects and global investments to airports around the world. CAI (i) serves as a vehicle to monetise the institutional know-how of the Issuer, (ii) allows the Group to diversify its revenue sources, (iii) provides a platform to attract and develop talent and (iv) helps to raise the overall outcomes of the aviation industry and its client base. To strengthen its portfolio, CAI will continue exploring new opportunities where it can add value to operators, partners and investors and help to grow airports to their full potential.

6. CHANGI EAST PROJECT

The Changi East Project is a major infrastructure project by Singapore and the Issuer to ensure that Changi Airport has the capacity to meet long-term passenger and airfreight traffic growth. Changi Airport's passenger traffic has grown steadily in the past decade, with a compound annual growth rate of over 4.3% from FY10/11 to FY19/20. Changi Airport handled approximately 62.9 million passenger movements in FY19/20.

The Changi East Project will enable Singapore to accommodate future growth in air traffic and capitalise on the benefits that air connectivity brings to Singapore.

Spanning 1,080 hectares, the Changi East Project is Changi Airport's largest development in its history and mainly includes the following:

- Terminal 5;
- a three-runway system; and
- the construction of tunnels and other underground systems.

(a) Terminal 5

Terminal 5 is one of the key developments under the Changi East Project and will significantly increase Changi Airport's annual passenger handling capacity. Terminal 5 will be linked to the other terminals at Changi Airport by underground people-mover systems and baggage handling system, allowing the expanded Changi Airport to be operated as a single, integrated airport for a seamless travel experience. In connection with the construction of Terminal 5, supporting infrastructure, such as airfield facilities and transport infrastructure, will also be built. As announced on 16 June 2020, the Terminal 5 project will be paused for at least two years amid uncertainty about how the COVID-19 outbreak will change the aviation sector.

(b) Three-runway system

Changi Airport currently operates two runways serving its four terminals. An existing third runway previously used by the military has been converted for civilian use. The development of a three-runway system ensures that Changi Airport has sufficient runway capacity to meet the anticipated growth in aircraft movements in the medium to long term. The Issuer has completed the strengthening of the above-mentioned third runway and its extension from 2.75 kilometres to 4 kilometres to enable it to handle larger civilian aircraft. Over 40 kilometres of supporting taxiways are also in development, to connect the third runway to the rest of Changi Airport. Navigational aids, airfield lighting systems and other ancillary buildings such as a fire station will also be constructed.

(c) Tunnels and underground systems

As part of the Changi East Project, a network of inter and intra-terminal tunnels will be constructed to allow the transfer of passengers, baggage and airside vehicles within Terminal 5, and between Terminal 5 and Terminal 2. This will include specialised systems, such as the baggage handling system and the automated people mover system. Construction work on the tunnels programme commenced in FY19/20.

(d) Timeline

As announced on 16 June 2020, the Terminal 5 project will be paused for at least two years amid uncertainty about how the COVID-19 outbreak will change the aviation sector. Stakeholders are currently carrying out a study on the changes required to be made to the project to meet the safety and operational needs of travel post the COVID-19 outbreak. The timeline for the Terminal 5 project will be reviewed after the study.

(e) Funding

The cost of the Changi East Project will be funded through a joint contribution model comprising (i) funds from the government of Singapore (the "**Government**"), (ii) financing by the Issuer and (iii) revenue generated from airport users.

7. IMPACT OF COVID-19

The unprecedented COVID-19 outbreak has adversely impacted many industries worldwide, especially the international aviation industry. It created significant uncertainty in global economic prospects and the Group's operating environment. Globally, many governments and health authorities have imposed measures designed to contain the outbreak, including temporary shutdowns, travel restrictions, quarantines and cancellations of gatherings and events. The decline in air travel due to COVID-19 resulted in passenger traffic at Changi Airport dropping 32.8% and 70.7% y-o-y in February and March 2020 respectively, negating the strong performance the Issuer had in the first ten months of FY19/20. As a result, for the first time since FY08/09, Changi Airport saw passenger traffic decline by 5.1% in FY19/20 to approximately 62.9 million passenger movements. The decline in traffic growth due to COVID-19 also resulted in a reduction in Changi Airport's retail revenue, with concessions revenue declining by 57.5% in the last two months of FY19/20, with full-year revenue down by 4.9%. In April 2020 and May 2020, due to strict border measures and health concerns, Changi Airport's passenger traffic was reduced to 0.5% of 2019's level and increased gradually to 1.5% in September 2020.

In FY19/20, aircraft movement also declined by 6.0%, with a total of 363,000 landings and take-offs, while Changi Airport's total cargo throughput fell 7.5% y-o-y to 1.97 million tonnes. As a result of fewer passenger flights, as at September 2020, Changi Airport's total aircraft movement was approximately 17% of 2019's level. With the popularity of online buying of goods, cargo volumes have been more resilient, falling by less than 30% y-o-y.

As at September 2020, Changi Airport had direct flights to 49 cities in the world and was at 58^{th} place for international passenger traffic. Although COVID-19 has severely impacted passenger traffic at Changi Airport due to its reliance on international air travel, the Issuer is actively working with the Government to revive the air hub and retain its international air hub status once international air travel and connectivity is restored.

With international air travel having grounded to a halt, the Group rolled out various assistance schemes (including, but not limited to, waiver of aircraft parking fees) to help its partners operating at Changi Airport tide through the crisis. Together with the Government and CAAS, the S$112 million Aviation Sector Assistance Package ("**ASAP**") was launched in February 2020 to help Changi Airport's partners defray costs, maintain jobs as well as safeguard Changi Airport's air connectivity. In addition to the ASAP, the Issuer also helped to support the disbursement of the Enhanced Aviation Support Package launched by the Government in March 2020 and passed on to its partners the benefit of the property tax remissions granted to the Issuer.

As a significant portion of rental for Changi Airport's retail concessionaires is pegged to passenger traffic, the low levels of passenger traffic at Changi Airport due to COVID-19 automatically reduced the rental costs for tenants. To help tenants tide through the challenging retail climate, various rental assistance packages have been provided. Beyond rental adjustments and rebates, operating hours for retail shops have also been shortened to help tenants reduce their operating costs.

The Issuer also embarked on significant cost cutting measures to conserve cash. For instance, Terminal 2 operations have been suspended for 18 months from 1 May 2020, while Terminal 4 has been placed on standby since 16 May 2020 until air travel demand picks up and a sufficient number of flights return to the terminal. The Issuer has also implemented salary cuts of up to 30% for management and staff, and also did not pay out any dividends for FY19/20.

Recognising the importance of the air hub to the health of the Singapore economy, the Government made it a priority to restore air connectivity in a safe way. As part of the early stages of the resumption of air travel, the Government established "Fast Lane Travel" and "Reciprocal Green Lane Travel" to facilitate essential business and official travel between Singapore and certain countries. Borders were also unilaterally reopened with certain countries. By the end of September 2020, Fast Lanes have been established with China and the Republic of Korea, while Reciprocal Green Lanes have been established with Malaysia, Brunei Darussalam and Japan. The Government also stated further plans ranging from negotiating two-way air travel bubbles with safe countries and regions, establishing further Reciprocal Green Lane arrangements with other countries as well as facilitating passenger transfers at Changi Airport.

The Government is also actively exploring alternatives to the current requirements for travellers to serve a stay-home notice ranging from seven to 14 days, which may be a deterrent to travellers. Such alternatives include using less invasive COVID-19 tests with quicker turnaround time. To facilitate any possible testing requirements, Changi Airport has set up a swabbing facility with a current capacity to perform swab tests for up to ten thousand passengers a day.

For a further discussion on the impact of the COVID-19 outbreak, see the section "*Risk Factors – COVID-19 risks*".

8. REGULATION

Under the CAAS Act, CAAS exercises licensing and regulatory functions in respect of the operation of airports and the provision of airport services and facilities in Singapore, amongst other things.

The requisite licence for the operation of Changi Airport was granted to the Issuer by CAAS on 1 July 2009 under Section 36 of the CAAS Act (the "**Changi Airport Licence**") for the period from 1 July 2009 to 31 March 2065, both dates inclusive. The requisite licence for the operation of Seletar Airport was granted to the Issuer by CAAS on 1 July 2009 under Section 36 of the CAAS Act (the "**Seletar Airport Licence**", together with the Changi Airport Licence, the "**Airport Licences**") for the period from 1 July 2009 to 31 March 2042, both dates inclusive.

CAAS may, at any time, modify the conditions of any of the Airport Licences. The renewal of the Airport Licences is at the discretion of CAAS.

In addition, if CAAS is satisfied that any one of the grounds provided under Section 39 of the CAAS Act exists, including that:

(a) the Issuer has contravened any provision of the relevant Airport Licence, the CAAS Act or any code of practice or standard of performance applicable to the Issuer;

(b) the Issuer has gone or is likely to go into compulsory or voluntary liquidation other than for the purpose of amalgamation or reconstruction;

(c) the Issuer has made any assignment to or composition with its creditors; or

(d) the public interest or security of Singapore so requires,

CAAS may:

(1) revoke or suspend the Airport Licences granted;

(2) require the payment of a financial penalty not exceeding S$1 million or the prescribed amount, whichever is applicable;

(3) impose such other directions as CAAS considers appropriate restricting the Issuer's business of operating Changi Airport and/or Seletar Airport; and/or

(4) where the Issuer is not compliant with Section 46A(1), (2) or (3) of the CAAS Act, require the payment of the contribution required to be paid into the reserve fund or the Changi Airport Development Fund (as defined in the CAAS Act) (as the case may be) under the abovementioned Section, or the refund into the reserve fund of such sum of money withdrawn by the Issuer without the approval of CAAS, as the case may be.

The Issuer, if aggrieved by the modification of any condition to any of the Airport Licences, or the revocation, suspension or other decision taken in connection with any of the Airport Licences, may appeal to the Minister for Transport against CAAS' decision. The decision of the Minister for Transport is final.

Price Regulation

CAAS is empowered under the CAAS Act to undertake pricing regulation.

A forward-looking economic regulation framework was put in place by CAAS to strengthen Changi Airport's position as a competitive international air hub. This economic regulatory framework includes pricing regulation, master planning and service regulation.

Pricing regulation is designed to balance three main objectives:

(i) ensure aeronautical charges at Changi Airport continue to be competitive. Aeronautical charges are charges levied on airport customers, airlines and passengers which are directly connected to the provision of airport services. Examples of aeronautical charges include aircraft landing charges, aircraft parking charges and passenger service charges;

(ii) maintain overall system sustainability by supporting the Issuer's financial viability over the long term; and

(iii) provide the Issuer with incentives to innovate and be efficient.

9. AWARDS AND ACCOLADES

As a testament to its commitment to service and quality, Changi Airport has received numerous awards and accolades over the years, some of which are set out below.

Award	**Publication/Awarding Organisation**	**Years Awarded**
World's Best Airport (Skytrax World Airport Awards)	Skytrax	2000, 2006, 2010, 2013 – 2020
Best Airport (DestinAsian Readers' Choice Awards)	DestinAsian	2006 – 2020
Best Airport by Size (over 40 million passengers) (Airports Council International Airport Service Quality Awards – Worldwide)	Airports Council International	2012 – 2014, 2016, 2018 – 2019

Award	Publication/Awarding Organisation	Years Awarded
Best Airport by Region (Asia-Pacific) (Airports Council International Airport Service Quality Awards – Worldwide)	Airports Council International	2004, 2016, 2018 – 2019
Deficiency-Free Rating (International Federation of Air Line Pilots' Association Regional Conference)	International Federation of Air Line Pilots' Associations	1982 – 2019
Top Worldwide Airport (Wanderlust Reader Travel Awards)	Wanderlust	1999, 2001, 2003, 2005, 2007 – 2020
Best International Airport in the World (Travel + Leisure US World's Best Awards Survey)	Travel + Leisure US	2013 – 2020

DIRECTORS AND MANAGEMENT

Board of Directors

The Board of the Issuer comprises:

Name	**Position**
Mr Tan Gee Paw	Chairman
Mr Lee Seow Hiang	Executive Director and Chief Executive Officer (“**CEO**”)
Mrs Tan Ching Yee	Non-Executive Director
Mr Lim Zhi Jian	Alternate Director to Mrs Tan Ching Yee
Mr Michael George William Barclay	Non-Executive Director
Mr Chia Song Hwee	Non-Executive Director
Mr Kee Teck Koon	Non-Executive Director
Professor Tan Kong Yam	Non-Executive Director
Mr Ng Chee Khern	Non-Executive Director
BG Fan Sui Siong Kelvin	Non-Executive Director
Mrs Chng Sok Hui	Non-Executive Director
Ms Kwa Kim Li	Non-Executive Director
Mr Abdul Wahab bin Mohamed Yusoff	Non-Executive Director

Brief biographies of each of the Directors are set out below:

Mr Tan Gee Paw, Chairman

Mr Tan Gee Paw is the non-executive chairman of the Issuer. He was appointed to the Board on 1 May 2017 and was subsequently appointed the non-executive chairman of the Board on 23 October 2020.

Mr Tan is currently the Special Advisor to the Chairman of the PUB, Singapore’s National Water Agency, a member of the Centre for Liveable Cities Panel of Distinguished Advisors, a Director of Surbana Jurong Private Limited and an adjunct professor at the Lee Kuan Yew School of Public Policy and the Faculty of Engineering, National University of Singapore.

Mr Tan was the previous Chairman of the PUB from 1 April 2001 up until his retirement on 31 March 2017. His previous appointments include being appointed as member on a number of government committees, the Principal of Ngee Ann Polytechnic, Permanent Secretary of the then Ministry of the Environment, Advisor on Rail Transformation, MOT and Special Advisor to Land Transport Authority.

Mr Tan received the Public Administration Medal (Silver) in 1978 and a Special Award (Gold Medal) for Clean River Commemoration in 1987. He also received the Medal of Commendation at the NTUC May Day Award in 2005, the President’s Award for the Environment in 2007 and the President’s Science and Technology Medal in 2015. Mr Tan was conferred the Meritorious Service Medal in 2001 for his work as Permanent Secretary of the then Ministry of the Environment and the Distinguished Service Order in 2010 for his work as Chairman of PUB. In 2011, Mr Tan was conferred the Distinguished Engineering Alumni Award by the National University of Singapore; the Distinguished Member Award by National University of Singapore Society in 2014; and the Distinguished Professional Engineer Award in 2018 by the Professional Engineers Board. He was elected an Honorary Fellow of the Institution of Engineers, Singapore and awarded the Lifetime Engineering Achievement Award in 2015. Mr Tan was also elected as a Fellow of the Academy of Engineering, Singapore in 2012.

Mr Tan graduated with First Class Honours in Bachelor of Engineering (Civil) from the University of Malaya in 1967, and a Master of Science in Systems Engineering from the University of Singapore in 1971. He was conferred an Honorary Degree of Doctor of Science from the University of Westminster, UK in 1993; and an Honorary Doctorate in Engineering from Sheffield University, UK in 1995. In 2013, he was conferred an Honorary Degree of Doctor of Engineering by the Nanyang Technological University.

Mr Lee Seow Hiang, Executive Director and CEO

Mr Lee is the CEO of the Issuer. He was appointed to the Board on 16 June 2009.

Mr Lee is concurrently Deputy Chairman of CAI, Chairman of Jewel Changi Airport Trustee Pte Ltd and Chairman of the Board of Changi Foundation Ltd. He also chairs the National Library Board and sits on the board of NTUC FairPrice Co-operative Ltd. He holds the appointment of President, ACI Asia-Pacific Regional Board and is a director on the ACI World Governing Board.

From 1989 to 2005, Mr Lee held various appointments in the Republic of Singapore Air Force ("**RSAF**") and the Ministry of Defence, with his last appointment being Deputy Head of Air Operations in HQ RSAF. From 2005 to 2008, he was the Principal Private Secretary to the late Minister Mentor Lee Kuan Yew in the Prime Minister's Office.

Mr Lee was awarded the Singapore Armed Forces ("**SAF**") Overseas Scholarship and President's Scholarship in 1989. He was also awarded the SAF Postgraduate Scholarship (General Development) in 2002. He holds a Bachelor of Arts (Honours) from the University of Cambridge, UK, and a Master of Business Administration from the Massachusetts Institute of Technology, USA.

Mrs Tan Ching Yee, Non-Executive Director

Mrs Tan is a Non-Executive Director of the Issuer. She was appointed to the Board on 1 May 2017.

Mrs Tan is the Permanent Secretary of the Ministry of Finance, Singapore. She also holds the appointment of Permanent Secretary (Special Duties), Prime Minister's Office. She assumed these posts on 1 May 2016. She is Chairman of the Inland Revenue Authority of Singapore and the Accounting and Corporate Regulatory Authority, and a board member of the National Research Foundation and the Lee Kuan Yew School of Public Policy.

Mrs Tan was previously Permanent Secretary at the Ministry of Health and the Ministry of Education. Before that, she was the Chief Executive of the then Infocomm Development Authority of Singapore, and also Deputy Secretary (Infocomm and Media Development) at the former Ministry of Information, Communications and the Arts. Prior to these roles, she had worked at the Ministry of Education and Ministry of Trade and Industry.

Mrs Tan read Economics at Cambridge University and obtained her Master's of Science in Management from the Graduate School of Business, Stanford University.

Mr Lim Zhi Jian, Non-Executive Director

Mr Lim is the Alternate Director to Mrs Tan Ching Yee. He was appointed to the Board on 1 May 2017.

Mr Lim is Director (Reserves and Investment) at the Ministry of Finance. Prior to joining the Ministry of Finance in June 2016, he held various appointments in the Ministry of Manpower and the Monetary Authority of Singapore. At the Ministry of Manpower, he was the Deputy Director of the Foreign Workforce Policy Department. At the Monetary Authority of Singapore, he held the positions of the Deputy Director of the Strategic Planning Office and Senior Policy Analyst of the Prudential Policy Department.

Mr Lim was awarded the Overseas Scholarship by the Monetary Authority of Singapore and graduated from Carnegie Mellon University with a double major in Computer Engineering and Economics. He also holds a Masters in International Policy from Stanford University and a Master in Public Administration Edward S. Mason Program from the Harvard Kennedy School.

Mr Michael George William Barclay, Non-Executive Director

Mr Barclay is a Non-Executive Director of the Issuer. He was appointed to the Board on 16 June 2009.

Mr Barclay is the Group CEO of Mandai Park Holdings. He oversees both Mandai Park Development, the entity set up to drive the rejuvenation of Mandai into an integrated wildlife and nature precinct, and Wildlife Reserves Singapore, the operator of four award-winning attractions – Jurong Bird Park, Night Safari, River Safari and Singapore Zoo.

Prior to joining Mandai Park Holdings, Mr Barclay was CEO of Sentosa Development Corporation for seven years. This followed on from stints as Regional Vice President Asia for the International Air Transport Association and Chief Executive of SilkAir. Mr Barclay began his career with Singapore Airlines, holding various portfolios in Singapore, Germany, Switzerland, Belgium and the UK.

Mr Barclay has a Master of Science degree in Transport Planning & Engineering from the University of Leeds and he completed the Advanced Management Program at Harvard Business School.

Mr Chia Song Hwee, Non-Executive Director

Mr Chia is a Non-Executive Director of the Issuer. He was appointed to the Board on 1 October 2018.

Mr Chia is the Deputy Chief Executive Officer of Temasek International Pte Ltd.

Mr Chia is also a member of Singapore's Advisory Council on the Ethical Use of Artificial Intelligence and Data, established by the Infocomm Media Development Authority.

Prior to joining Temasek International Pte Ltd in 2011, Mr Chia was the Chief Operating Officer at GLOBALFOUNDRIES. Before the integration of GLOBALFOUNDRIES and Chartered Semiconductor Manufacturing Ltd ("**Chartered**"), he served as director of the board, and President & CEO of Chartered from June 2002 to December 2009. Mr Chia also held a number of management positions since he joined Chartered in 1996, including Senior Vice President, Chief Financial Officer, and Chief Administrative Officer.

Prior to his tenure at Chartered, Mr Chia was from the Schlumberger group, a global oilfield services group, where he was Regional Controller for Asia, Australia and Middle East for the drilling group.

Mr Chia graduated with a Bachelor of Business (Accountancy) with distinction from Edith Cowan University, Australia and is a member of CPA Australia. He was honoured with the EE Times Annual Creativity in Electronics Award for Executive of the Year in 2007.

Mr Kee Teck Koon, Non-Executive Director

Mr Kee is a Non-Executive Director of the Issuer. He was appointed to the Board on 1 March 2020.

Mr Kee is the Deputy Chairman of NTUC Income Insurance Cooperative Limited and from 1 October 2019, Non-Executive Director and Board Advisor of NTUC Enterprise Co-operative Limited, the holding entity of NTUC FairPrice, NTUC Income, NTUC First Campus and four other social enterprises. He is also the Non-Executive Director of NTUC Fairprice Co-operative Limited and an independent director of two public listed companies, namely, CapitaLand Ltd and Raffles Medical Group Ltd.

Mr Kee also sits on the board of Mandai Park Holdings Pte Ltd and is a member of Angsana Fund Investment Committee, Singapore Labour Foundation.

Mr Kee was the Executive Director of NTUC Enterprise Co-operative Limited from January 2017 before he stepped down in September 2019. He also stepped down as the non-executive Chairman of CAI in December 2019, a post he held since 2012. He was also a Non-Executive Director of Fullerton Fund Management Company Ltd.

Mr Kee started his career in 1979 with the SAF and was with the Ministry of Defence until 1991. Thereafter he held senior management appointments with several organisation before joining the CapitaLand Group in 2003. He spent 13 years in various senior leadership positions in CapitaLand and retired as its Chief Investment Officer in July 2009. His other senior roles in CapitaLand included being CEO overseeing the group's real estate fund management, commercial, retail mall and serviced residence businesses.

Mr Kee holds a Master of Arts in Engineering Science from Oxford University, UK.

Professor Tan Kong Yam, Non-Executive Director

Professor Tan is a Non-Executive Director of the Issuer. He was appointed to the Board on 30 January 2015.

Professor Tan is presently Professor of Economics at the Nanyang Technological University. He is also Deputy Chairman of APS Asset Management (China) and sits on the boards of Surbana-Jurong and CapitaRetail China Trust Management.

From 1984 to 1988, Professor Tan was the Assistant Director on exchange rate policy at the Monetary Authority of Singapore and assistant to the late Dr Goh Keng Swee, the former Deputy Prime Minister of Singapore, who had been invited by Mr Deng Xiaoping to advise China on economic development strategy. From June 2002 to June 2005, he was a senior economist at the World Bank office in Beijing. In 2004, he was a member of the World Bank expert group on the 11th five-year plan (2006 to 2010) for the State Council in China. The expert group provided analysis and policy recommendations to the Chinese government. Prior to that, he was the chief economist of the Singapore government at the Ministry of Trade and Industry (1999 to 2002) and head of the Department of Strategy and Policy at the NUS Business School. He has also worked at the Hoover Institution at Stanford University and World Bank in Washington.

Professor Tan is a graduate of Princeton University with a Bachelor of Art (Honours) and has a PhD in Economics from Stanford University.

Mr Ng Chee Khern, Non-Executive Director

Mr Ng is a Non-Executive Director of the Issuer. He was appointed to the Board on 1 March 2018.

Mr Ng is Permanent Secretary (Smart Nation and Digital Government) in the Prime Minister's Office. He leads the Smart Nation and Digital Government Group, which was formed in May 2017 to drive the digitalisation of the government, so that the government may apply digital and smart tools to improve the lives of citizens and the productivity of businesses. He is also the Chairman of the Government Technology Agency of Singapore (GovTech) board and a board member of the National Research Foundation.

Mr Ng previously held the following positions: Permanent Secretary (Defence Development) in Singapore's Ministry of Defence from May 2014 to April 2017, 2nd Permanent Secretary in Singapore's Ministry of Health from August 2014 to February 2016, Director of the Security and Intelligence Division from 2010 to 2014, and Chief of the Republic of Singapore Air Force from 2006 to 2009. Mr Ng was also a board member of CAAS, Singapore Technologies Engineering Ltd and CapitaLand Mall Trust.

A recipient of the President's Scholarship and SAF Overseas Scholarship, Mr Ng holds a Bachelor of Arts (Second Upper Class Honours) and a Master of Arts in Philosophy, Politics and Economics from the University of Oxford. Mr Ng also graduated with a Master of Public Administration from Harvard University.

BG Fan Sui Siong Kelvin, Non-Executive Director

BG Fan is a Non-Executive Director of the Issuer and was appointed to the Board on 15 August 2018.

BG Fan is currently the Chief of Staff – Air Staff in the RSAF. He joined the SAF in 1998 as an Air Warfare Officer and has served various command roles in Ground Based Air Defence units. Prior to his current appointment, BG Fan has served as Director (Policy) in the Ministry of Defence, as well as Head Air Operations and Head Air Plans in the RSAF.

BG Fan is also a member of the Singapore Administrative Service. Between 2007 and 2009, he served as Senior Assistant Director in the Ministry of Trade and Industry, where he was responsible for developing tourism policies such as the Integrated Resorts.

In 1998, BG Fan was awarded the SAF Overseas Scholarship. He has a Master of Economics from Cambridge University, UK, and a Master of International and Developmental Economics from Yale University, USA. BG Fan was also a 2010 graduate of the US Air Force Command and Staff College in Maxwell Air Force Base, USA. In 2013, BG Fan was awarded the SAF Post-Graduate Scholarship as well as the Lee Kuan Yew Post-Graduate Scholarship. He graduated with a Master of Business Administration from the Sloan School of Management, Massachusetts Institute of Technology in 2014. In 2015, BG Fan was awarded the Public Service Administration (Military) (Silver).

Mrs Chng Sok Hui, Non-Executive Director

Mrs Chng is a Non-Executive Director of the Issuer. She was appointed to the Board on 1 October 2019.

Mrs Chng is the Chief Financial Officer of DBS Group, and a member of the DBS Executive Committee. Prior to this appointment in 2008, she was the Managing Director and Head of Risk Management at DBS Group and held the position for six years.

Mrs Chng is the Chairman of the board of DBS Bank India Limited. She serves on the board of Singapore Exchange Limited and chairs its Risk Management Committee. Additionally, she is a member of the International Integrated Reporting Council and a member of the CareShield Life Council. Mrs Chng previously served on the boards of the Bank of the Philippine Islands, the Inland Revenue Authority of Singapore, Housing & Development Board, Accounting Standards Council and, for 10 years, as the Supervisor of the board of DBS Bank (China) Limited.

Mrs Chng is a Chartered Financial Analyst, a Certified Financial Risk Manager, an IBF Distinguished Fellow, as well as a Fellow Chartered Accountant of Singapore. Mrs Chng was the recipient of AsiaRisk's Risk Manager of the Year Award in 2002 and The Asian Banker's Inaugural Risk Manager of the Year Award in 2012. Mrs Chng was named Best Chief Financial Officer at the Singapore Corporate Awards 2013 and Accountant of the Year in the inaugural Singapore Accountancy Awards in 2014. She is a member of the International Women's Forum (Singapore).

Ms Kwa Kim Li, Non-Executive Director

Ms Kwa is a Non-Executive Director of the Issuer. She was appointed to the Board on 1 October 2019.

Ms Kwa is the Managing Partner of Lee & Lee, Advocates and Solicitors, one of Singapore's oldest law firms, founded in 1955 by Singapore's first Prime Minister Mr Lee Kuan Yew.

Ms Kwa graduated in 1979 from the National University of Singapore and was called to the Singapore Bar in 1980. She has been in active practice with the firm for over 35 years, and her practice spans various aspects of law. Although her pet area of practice is real estate, Ms Kwa also advises on loans, trusts, wills, probates, joint ventures and cross border transactions.

Ms Kwa also holds various positions outside her legal practice, including directorships in Jurong Town Corporation, Mapletree Commercial Trust and HSBC Bank (Singapore) Limited. In the health sector, she sits on the Board of National University Health System and is a Trustee of the Singapore Cardiac Society. She is also the Honorary Advisor to the Real Estate Developers Association. Abroad, she sits on the boards of London listed Laura Ashley PLC and Corus UK group of Hotels.

Ms Kwa was awarded the Ministry of Education "Service to Education" Award and the Ministry of Health 5 years Appreciation Service Award.

Mr Abdul Wahab bin Mohamed Yusoff, Non-Executive Director

Mr Wahab is a Non-Executive Director of the Issuer. He was appointed to the Board on 1 October 2019.

Mr Wahab holds the position of Vice President (Asia Pacific & Japan) at Forescout Technologies Pte Ltd. Forescout Technologies provides integrated security platform services to enable enterprises and government agencies to gain situational awareness of their extended enterprise environment to reduce cyber and operational risks.

With over 30 years of experience in the information technology, computer and cybersecurity fields, Mr Wahab has held various leadership roles in companies that are focused on helping multi-national corporations establish and grow their operations in the Asia Pacific region. Prior to joining Forescout Technologies, Mr Wahab was Vice President and General Manager of Palo Alto Networks ASEAN from 2015 to 2017. He also held the role of Vice President of McAfee & Intel Security South Asia from 2009 to 2015 and was EMC South Asia's Vice President and General Manager from 2003 to 2009.

Mr Wahab is presently a Member Board of Director of Workforce Singapore, EZ-Link Pte Ltd and Rekanext Capital Partners (a venture capital fund focused on ASEAN pre-series start-ups). He is also a member of Singapore's Future Economy Council, Advisory Committee of Singapore Polytechnic School of Computing and Chairman of M3 @ Punggol-Pasir Ris.

Mr Wahab holds a Bachelor of Engineering degree from the National University of Singapore and is a graduate of INSEAD's International Executive Programme.

Executive Management

The executive management of the Issuer comprises:

Name	Position
Mr Lee Seow Hiang	Executive Director and CEO
Mr Tan Lye Teck	Executive Vice President, Airport Management
Mr Yam Kum Weng	Executive Vice President, Airport Development
Ms Lim Peck Hoon	Executive Vice President, Commercial
Ms Ng Lai Leng	Chief Financial Officer Executive Vice President, Corporate Executive Vice President, Enterprise Performance & Development

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set out the consolidated income statements of the Group for FY17/18, FY18/19 and FY19/20 and consolidated statements of financial position of the Group as at 31 March 2018, 31 March 2019 and 31 March 2020. The selected consolidated financial information for FY17/18, FY18/19 and FY19/20 is derived from the consolidated financial statements of the Group for FY19/20 and FY18/19, which have been audited by the independent auditors, PricewaterhouseCoopers LLP. The independent auditor's reports on the consolidated financial statements of the Group for FY18/19 and FY19/20 have not been specifically prepared for the purpose of this Information Memorandum. As the COVID-19 outbreak is still ongoing, there is no assurance that the Group will not in the future experience more severe disruptions. This could in turn cause further deterioration in the business, financial condition and/or results of operations of the Group. The Group's financial position and results of operations as of and for the financial years ended 31 March 2018, 31 March 2019 and 31 March 2020 should not be taken as an indication of the expected financial position and results of operations as at the date of this Information Memorandum and for the financial year ending 31 March 2021. You should read the selected consolidated financial information in conjunction with the sections "*The Issuer – Impact of COVID-19*" and "*Risk Factors – COVID-19 risks*" included elsewhere in this Information Memorandum.

CONSOLIDATED INCOME STATEMENT
For FY17/18, FY18/19 and FY19/20

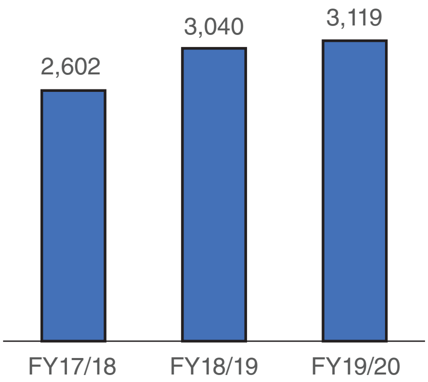
	GROUP		
	2018	**2019**	**2020**
	$'000	$'000	$'000
Revenue	2,601,829	3,039,915	3,118,641
Expenses			
– Depreciation	(344,016)	(502,596)	(678,164)
– Amortisation of intangible assets	(13,292)	(43,472)	(52,027)
– Maintenance of land, buildings and equipment	(260,421)	(304,398)	(348,235)
– Services and security related expenses	(243,919)	(309,689)	(326,480)
– Employee compensation	(256,593)	(307,974)	(287,519)
– CAAS services and licence fees	(223,588)	(230,989)	(246,457)
– Annual ground rent	(76,680)	(75,879)	–
– Regulatory contribution	–	(84,921)	(25,461)
– Property tax	(63,926)	(68,595)	(80,903)
– Other operating expenses	(166,523)	(191,497)	(206,911)
Total expenses	(1,648,958)	(2,120,010)	(2,252,157)
Operating profit	**952,871**	**919,905**	**866,484**
Finance expenses	(57,524)	(212,580)	(286,210)
Other income and losses – net	116,493	94,322	(181,918)
Share of results of associated companies and joint ventures	(3,081)	12,408	16,271
Profit before income tax	**1,008,759**	**814,055**	**414,627**
Income tax expenses	(173,858)	(240,366)	(268,282)
Profit after tax	**834,901**	**573,689**	**146,345**
Profit after tax attributable to:			
Equity holder of the Company	849,299	677,276	434,539
Non-controlling interests	(14,398)	(103,587)	(288,194)
	834,901	**573,689**	**146,345**

BALANCE SHEETS

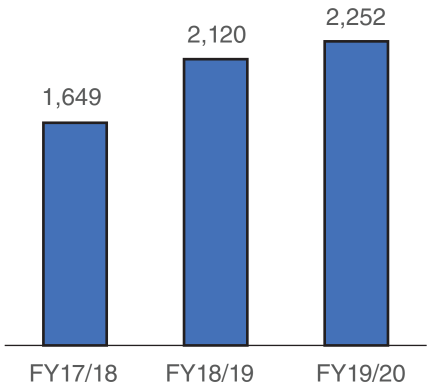
As at FY17/18, FY18/19 and FY19/20

	GROUP		
	2018 $'000	**2019** $'000	**2020** $'000
ASSETS			
Current assets			
Cash and cash equivalents	2,064,924	1,762,845	2,422,266
Trade and other receivables	321,133	297,478	215,870
Other current assets	37,383	31,338	124,045
Other investments	102,581	102,677	105,669
Derivative financial instruments	–	8,207	–
Inventories	13,541	12,518	13,177
Tax recoverable	37,245	9,733	7,381
	2,576,807	**2,224,796**	**2,888,408**
Non-current assets			
Other non-current assets	254	735	134
Property, plant and equipment	5,610,349	6,254,006	6,623,770
Intangible assets	5,037,716	4,619,135	3,548,747
Right-of-use assets	–	–	1,136,363
Investments in associated companies and joint ventures	266,648	345,680	216,195
Investment property	1,117,766	1,492,275	1,487,982
Other investments	7,789	7,909	11,666
Deferred tax assets	276,130	163,755	40,227
	12,316,652	**12,883,495**	**13,065,084**
Total assets	**14,893,459**	**15,108,291**	**15,953,492**
LIABILITIES			
Current liabilities			
Trade and other payables	1,014,995	1,227,012	1,006,210
Concession payable	425,444	24,453	18,231
Loans and borrowings	134,087	1,009,623	46,842
Lease liabilities	–	–	80,760
Derivative financial instruments	–	137	–
Deferred income	33,054	40,199	86,324
Current tax liabilities	200,038	189,742	197,292
	1,807,618	**2,491,166**	**1,435,659**
Non-current liabilities			
Trade and other payables	152,897	145,323	174,225
Concession payable	3,069,314	3,065,657	2,704,791
Loans and borrowings	1,197,819	642,228	1,756,399
Lease liabilities	–	–	1,074,465
Derivative financial instruments	2,674	–	111,941
Deferred income	154,103	203,526	397,223
Deferred tax liabilities	72,492	99,201	163,564
	4,649,299	**4,155,935**	**6,382,608**
Total liabilities	**6,456,917**	**6,647,101**	**7,818,267**
NET ASSETS	**8,436,542**	**8,461,190**	**8,135,225**
EQUITY			
Share capital and reserves	3,585,150	3,548,624	3,438,940
Retained profits	4,014,786	4,290,167	4,453,551
	7,599,936	7,838,791	7,892,491
Non-controlling interests	836,606	622,399	242,734
Total equity	**8,436,542**	**8,461,190**	**8,135,225**

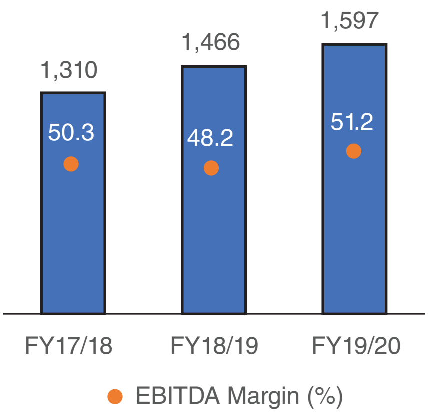
Revenue (S$'million)



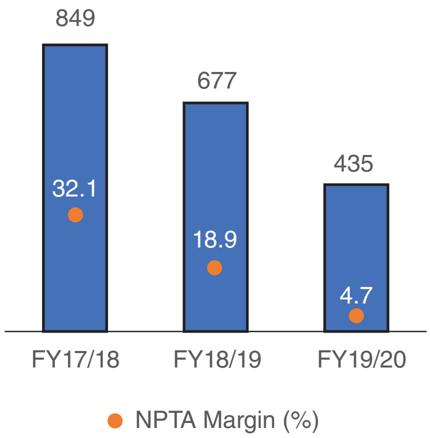
Expenses (S$'million)



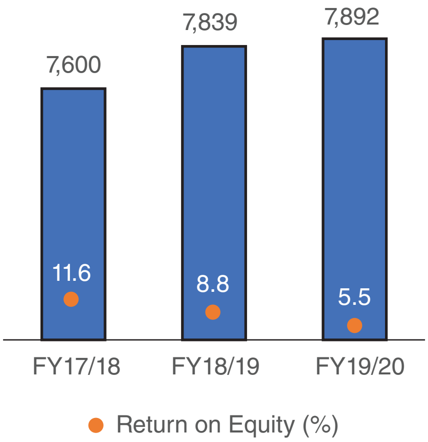
EBITDA (S$'million)[1]



Profit attributable to shareholder of the Company (S$'million)



Equity attributable to shareholder of the Company (S$'million)



[1] With the adoption of FRS 116 Leases in FY19/20, Changi Airport's land leases previously shown in the consolidated income statements as "annual ground rent" are replaced by depreciation expense and interest expense. If EBITDA and EBITDA Margins for FY17/18 and FY18/19 were adjusted to exclude annual ground rents to be comparable with FY19/20, the adjusted EBITDA for FY17/18 and FY18/19 would be $1,387 million and $1,542 million, and the adjusted EBITDA Margins would be 53.3% and 50.7% respectively.

FY19/20 vs FY18/19

Passenger Traffic

Changi Airport performed strongly in the first ten months of FY19/20. By the end of January 2020, passenger movements had grown to 57.8 million, 4.2% higher y-o-y. This was driven by strong travel demand, partially offset by a reduction caused by the insolvency of Jet Airways (which resulted in the loss of nine daily India-Singapore services), as well as capacity constraints faced by airline partners arising from the worldwide grounding of the Boeing 737 Max aircraft.

However, demand for air travel collapsed in the last two months of the financial year, as fears of the COVID-19 outbreak led to government-imposed travel restrictions and border controls around the world. This crippling turn of events resulted in Changi Airport recording a plunge in passenger movements of 32.8% and 70.7% y-o-y in February and March 2020 respectively. It ended the financial year at 62.9 million passenger movements, 5.1% lower than in FY18/19.

Operating Revenue

The Group consolidated operating revenue was S$3.1 billion in FY19/20, representing a 2.6% growth from the previous year. Changi Airport remained the key revenue contributor for the Group, accounting for approximately 85% of the Group's total revenue, followed by Tom Jobim International Airport at approximately 10% and Jewel at approximately 4%. The opening of Jewel in April 2019 created a new revenue stream for the Group and was the key driver for the increase in Group revenue.

Operating revenue recorded by Changi Airport for the full year amounted to S$2.6 billion, flat from the year before, due to the dismal performance in the last two months due to COVID-19. The outbreak also affected the financial performance of the Group's overseas investments, in particular that of Tom Jobim International Airport in Rio de Janeiro, Brazil. Revenue contributed by Tom Jobim International Airport fell by S$38 million y-o-y to S$299 million as a result of the challenging market conditions and COVID-19 outbreak. While sales at Jewel was also affected by COVID-19 in the last two months of the financial year, Jewel's higher-than-expected number of visitors in its first year of operations helped to supplement the Group's topline with S$129 million in revenue in FY19/20.

Operating Expenses

The Group's operating expenses increased by 6.2% y-o-y to S$2.3 billion, largely due to higher depreciation and operating costs with the opening of Jewel and the completion of the Terminal 1 expansion ("**T1E**") project. This was partially offset by a reduction in employee compensation costs and regulatory contributions.

Depreciation and amortisation expenses, which formed the largest component of the Group's operating expenses, increased by 33.7% y-o-y to S$730 million. This was mainly attributed to the opening of Jewel and the completion of the T1E project and the adoption of FRS 116 Leases. Under this new accounting standard, the expenses related to Changi Airport's land leases previously shown in the consolidated income statements as "annual ground rent" are replaced by depreciation expense and interest expense.

EBITDA/Profit Attributable to Shareholder

The Group's EBITDA increased by 8.9% or S$131 million y-o-y to approximately S$1.6 billion in FY19/20. The increase was in part due to the adoption of FRS 116 Leases, and in part due to the opening of Jewel during the year. If the Group had adopted FRS 116 Leases in the prior year, the y-o-y increase in the Group's EBITDA would have been 3.8% or S$55 million.

However, the Group registered a lower net profit attributable to shareholder of S$435 million, 35.8% lower than the prior year. This was mainly driven by the weaker operating performance due to the impact of the impairment of assets at Tom Jobim International Airport as well as COVID-19.

Tom Jobim International Airport was loss-making during the year and the demand for travel is expected to remain suppressed in the immediate future as the recovery of the industry may take a few years. As operations in Tom Jobim International Airport have been affected by the challenging business environment in Brazil and the COVID-19 outbreak, an impairment review was carried out to assess the recoverable amount of its intangible assets, primarily its concession right to operate and manage Tom Jobim International Airport. As a result of the assessment, the airport recorded an impairment charge of S$323 million of which the Group's 51% share amounted to S$165 million. Due to lower profit projections, Tom Jobim International Airport also wrote down its deferred tax assets to its recoverable amount, which further lowered the Group's net profit attributable to shareholder by S$35 million.

Financial Position

Shareholder's equity increased marginally by less than 0.7% y-o-y to reach S$7.9 billion. The increase is attributed to the net profit attributable to shareholder generated by the Group of S$435 million, offset by payment of dividends in relation to the previous financial year, as well as a reduction in the carrying value of Tom Jobim International Airport due to the devaluation of the Brazilian Real vis-à-vis the Singapore Dollar.

The Group's total assets and total liabilities amounted to S$16.0 billion and S$7.8 billion respectively. During the year, the Group continued to invest in capacity enhancement and the upkeep of airport facilities. Total capital expenditure incurred amounted to approximately S$1.0 billion. 50.8% of the Group's total assets were made up of property, plant and equipment and investment property. Intangible assets of S$3.5 billion made up 22.2% of the Group's total assets, comprised mainly of the Group's concession right to operate and manage Tom Jobim International Airport until 2039. A corresponding concession payable of S$2.7 billion, or 36.6% of the Group's total liabilities, represented the Group's payment obligations to the Brazilian national agency of civil aviation for the concession right.

Cash and cash equivalents amounted to S$2.4 billion, S$659 million higher than the previous year. This increase was generated mainly from strong operating performance during the first ten months of the financial year.

With the adoption of FRS 116 on 1 April 2019, most of the leases previously classified as operating leases were brought onto the balance sheet as right-of-use ("**ROU**") assets and lease liabilities. As at 31 March 2020, the Group recognised ROU assets of S$1.2 billion and lease liabilities of S$1.1 billion, with no restatement of comparative information.

As at 31 March 2020, the Group's total loans and borrowings amounted to S$1.8 billion, or 23.1% of total liabilities. Majority of the Group's loans and borrowings are not due for repayment within the next 12 months.

FY18/19 vs FY17/18

Passenger Traffic

Changi Airport registered strong growth in passenger movements of 5.2% y-o-y in FY18/19 to reach 66.3 million passenger movements, placing Changi Airport as the seventh busiest airport in the world for international passenger traffic. Indonesia continued to rank as Changi Airport's largest country market, followed by China, Malaysia, Australia and Thailand. Together, these five countries accounted for more than half of Changi Airport's total passenger traffic.

Operating Revenue

In FY18/19, the Group recorded consolidated operating revenue of S$3.0 billion, representing a growth of 16.8% y-o-y. The rise in operating revenue was underpinned by growth in Changi Airport's operating revenue coupled with the full year impact of the consolidation of the operating results for Tom Jobim International Airport in Brazil. In December 2017, CAI, a wholly-owned subsidiary of the Issuer, increased its effective stake in Tom Jobim International Airport from 20.4% to 51.0%. The operating results of Tom Jobim International Airport was consolidated from the fourth quarter of the last financial year.

Operating revenue from Changi Airport increased by 8.1% compared to last year, underpinned by strong passenger growth and higher airport concession revenue. Revenue from airport services which comprised landing, parking and aerobridge charges as well as passenger service and security fees increased by 10.4% y-o-y to S$1.1 billion due to strong passenger traffic and higher airport charges for both passengers and airlines. Airport concession and rental income also grew strongly, increasing by 5.9% y-o-y to reach S$1.3 billion. Concession sales of Changi Airport's tenants grew by 8.1% y-o-y to a record of more than S$2.8 billion.

Operating Expenses

For FY18/19, the Group's operating expenses was $2.1 billion.

Excluding depreciation and amortisation, the Group's operating expenses increased by 21.9% y-o-y to S$1.6 billion in FY18/19. The increase was largely due to additional operating expenses from the full-year consolidation of Tom Jobim International Airport, the introduction of the new regulatory contribution by CAAS and the full year impact of Terminal 4 operating expenses.

Depreciation and amortisation expenses, which formed the largest component of the Group's operating expenses, increased by 52.8% y-o-y to S$546 million due to the opening of new infrastructure facilities in Changi Airport and the full-year consolidation of Tom Jobim International Airport.

Changi Airport's operating expenses (excluding depreciation and amortisation) increased by 16.0% y-o-y in FY18/19. The increase was largely attributed to the new regulatory contribution, the higher operating costs from the full year impact of Terminal 4, and the operationalisation of other new facilities such as the new Seletar Airport passenger terminal and the expanded Terminal 1.

EBITDA/Profit Attributable to Shareholder

The Group achieved EBITDA of approximately S$1.5 billion in FY18/19, representing an improvement of 11.9% (or S$156 million) from the previous year. Net profit attributable to shareholder was lower by 20.3% (or S$172 million) y-o-y at S$677 million primarily due to increased losses from Tom Jobim International Airport, absence of a valuation gain which arose last year from the step-up acquisition of Tom Jobim International Airport of S$98 million, and the new regulatory contribution this year amounting to S$85 million, in addition to higher depreciation expenses with the opening of new terminal facilities.

Financial Position

Shareholder's equity increased by 3.1% y-o-y to reach S$7.8 billion, with a strong asset base of S$15.1 billion. Property, plant and equipment and investment property amounted to S$7.7 billion, which accounted for 51.3% of total assets. Intangible assets of S$4.6 billion arose from the consolidation of Tom Jobim International Airport and comprised largely the unamortised cost of the Group's concession right to operate and manage Tom Jobim International Airport for a period of 25 years, starting from 2014. Cash and cash equivalents amounted to S$1.8 billion.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Notes should carefully consider all the information set forth in this Information Memorandum including any documents incorporated by reference herein and the risk factors set out below.

The risk factors set out below do not purport to be complete or comprehensive of all the risks that may be involved in the business, assets, financial condition, performance or prospects of the Issuer or any of its subsidiaries or the properties owned by the Group or any decision to subscribe for, purchase, sell, hold, own or dispose of the Notes. Additional risks which the Issuer is currently unaware of or currently deem immaterial may also impair its business, assets, financial condition, performance or prospects. If any of the following risk factors develops into actual events, the business, assets, financial condition, performance or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Notes may be adversely affected and the investors may lose all or part of their investments in the Notes.

Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings. The terms and conditions of the Notes and the Trust Deed will prevail to the extent of any inconsistency with the information set out under this section.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all the information that a prospective investor in or an existing holder of the Notes may require in investigating the Issuer or the Group, prior to making an investment or divestment decision in relation to the Notes issued under the Programme.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, any of the Arrangers or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Notes.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries and/or its associated companies (if any), any of the Arrangers or any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy, reliability or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer and the Group, the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

RISKS RELATING TO THE ISSUER'S AND THE GROUP'S BUSINESS, FINANCIAL CONDITION AND/OR RESULTS OF OPERATIONS

Government ownership of the Issuer.

The Issuer is wholly-owned by the Government, through the Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act (Chapter 183 of Singapore). However, as the Government is not legally obliged to provide financial support to the Issuer, the Issuer's obligations under the Notes are not guaranteed by the Government and the Government has no obligations to holders of the Notes. There can be no assurance that the Government will provide financial support to the Issuer in the event that the Issuer is unable to meet its obligations under the Notes. In addition, the Government is not obliged to, and there can be no assurance that it will, maintain its current level of ownership in the Issuer.

Macroeconomic and geo-political risk

Air travel could be affected by macroeconomic and geo-political factors.

The Issuer's revenue is highly dependent on international air travel, which tends to correlate with economic conditions. Economic downturns can adversely impact the demand for travel, particularly leisure travel which is a discretionary consumer expense.

In addition, air travel could also be adversely affected by: (1) the financial performance of the airline industry (which is highly susceptible to increases in fuel prices), and (2) the occurrence of geo-political events, both globally and regionally. All these events could contribute to a reduced demand for air travel as well as lead to a temporary cessation of flights to the affected destinations, resulting in an overall reduction in passenger traffic and number of flights.

Further, epidemics, pandemics and other outbreaks of infectious diseases, natural calamities, acts of terrorism, unrest and war (and threats of the same) may also prevent, discourage or disrupt air travel and/or prevent the utilisation of airport services and facilities. In particular, epidemics, pandemics and other outbreaks of infectious diseases, such as the ongoing COVID-19 outbreak, can greatly and adversely affect air traffic as countries around the world impose stringent border controls and other travel restrictions resulting in the grounding of airline fleets due to a substantial drop in demand for air travel. Moreover, any reduction in passenger traffic and/or the number of flights will lead to a fall in revenue collected from airlines, concessionaires and other airport customers and, in the longer term, a sustained reduction in passenger traffic and/or the number of flights is also likely to lead to lower rental income from the leasing of spaces, particularly retail, at the airports.

Any of the above events could materially and adversely affect the Group's business, financial condition and/or results of operations.

COVID-19 risks

The outbreak of COVID-19 is ongoing and has caused a material adverse impact on the Group's business, financial condition and/or results of operations.

On 11 March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic. The continued spread of COVID-19 globally has had, and could have a significantly greater, material adverse impact on the global and Singapore's economy.

The rapid spread of COVID-19 has resulted in, amongst others, imposition of lockdown measures, travel restrictions (including restrictions on visas), and suspension of flights in a global effort to contain the spread of the virus. This has in turn resulted in reduced economic activities and significant decline in passenger numbers. The fall in passenger volume at Changi Airport due to COVID-19 has caused a reduction in the rental payable by the Issuer's concessionaires in Changi Airport. As the Group's revenue and operating results depend significantly on income from airlines and concessionaires which in turn rely heavily on passenger footfall, this has resulted in a material adverse impact on the Group's business, financial condition and/or results of operations. Further, any border and/or international travel restrictions may have a more pronounced impact on Changi Airport as it is an international airport with no domestic market.

As a result of COVID-19, many airlines have taken actions to restructure their route networks, cancel aircraft orders, and shift their business strategies. A material deterioration of the financial position of the airlines or a substantial reduction in flight activity, could adversely affect passenger and cargo throughput and the number of air transport movements at Changi Airport, as well as the number of destinations served by the airport.

COVID-19's longer term impact on the general economic conditions in Singapore and the countries that are serviced by the airlines at Changi Airport could also reduce future demand for the products and services offered by the Issuer's retail tenants and other tenants providing aviation-related services, such as lounge operators, aviation maintenance, repair and operation service providers, cargo warehouse operators and other airport service providers. This may in turn adversely impact the business and/or financial condition of the Issuer's abovementioned tenants. The ASAP and other government support packages have helped to alleviate the financial pressure on such tenants. However, these tenants may choose not to renew their leases at the end of their term, choose to decrease the amount of space leased or request to pre-terminate their leases if their financial condition deteriorates. The Issuer may not be able to find replacement tenants in a timely manner and on similar terms.

All of these factors could reduce the amounts of fees that can be collected from the airlines and ground handlers as well as diminish the demand and lower the rental rates for Changi Airport's leased spaces and negatively impact the Issuer's tenants' ability and/or willingness to pay rent.

COVID-19 is an unprecedented crisis and it is unclear how the outbreak and the countermeasures against it will develop. The full impact of COVID-19 on local, regional and global economies, demand for air travel for businesses and tourism, and consumer discretionary spending cannot be predicted with certainty. As such, despite public life in some countries progressively returning to normal and various airlines starting to gradually resume their flight schedules again, the speed and magnitude of the recovery are still uncertain. As the COVID-19 outbreak is still ongoing, there is no assurance that the Group will not in the future experience more severe disruptions in the event that more stringent quarantine measures are imposed or if the COVID-19 outbreak becomes more severe or protracted. This could in turn cause further deterioration in the business, financial condition and/or results of operations of the Group. The eventual scale of the impact of the COVID-19 outbreak has yet to be determined.

Additional COVID-19 related safety requirements can dampen demand for air travel, increase cost and breach of safety requirements by third parties can have adverse effects.

As a result of COVID-19, certain international bodies, governmental agencies and authorities have introduced safety requirements such as the performance of COVID-19 tests on passengers prior to air travel and further safety requirements may be introduced. Depending on the cost and the intrusiveness of such COVID-19 tests, these could dampen demand for air travel.

Enhanced social distancing measures may affect airport operations (including the handling capacity of the Issuer) and may increase the costs associated with such airport operations. Any further measures imposed by international bodies, governmental agencies and authorities may also lead to an increase in costs. These safety requirements such as the imposition of the stipulated occupancy limit may also affect the Group's tenants. Failure on the part of the Group and/or its tenants to comply with such safety requirements applicable to it may prevent the continued operations of certain facilities and/or shops at Changi Airport and Jewel, which could have a material adverse effect on the Group's business, financial condition and/or results of operations.

To the extent the COVID-19 outbreak adversely affects the Group's business, financial condition and/or results of operations, it may also have the effect of heightening some of the other risks described in this "*Risk Factors – Risks relating to the Issuer's and the Group's business, financial condition and/or results of operations*" section, including, but not limited to, the following risks:

- *Changi Airport faces competition from other hub airports;*
- *Risk of decline in revenue collected from concessionaires;*
- *Dependence on key customers for a significant percentage of the Group's revenue;*
- *Reliance on third-party service providers;*
- *Credit risk of customers; and*
- *The Group faces financing and interest rate risks.*

The audited consolidated financial statements of the Group for the financial years ended 31 March 2019 and 31 March 2020 (the "Audited Financial Statements") contained in this Information Memorandum are not necessarily indicative of the business, financial condition, results of operations and future performance of the Group as at the date of this Information Memorandum and should not be considered in isolation.

The COVID-19 outbreak has caused a material adverse impact on the Group's business, financial condition and/or results of operations (please see the section on "*The Issuer – Impact of COVID-19*" and the risk factors set out under the section "*Risk Factors – COVID-19 risks*" for further discussions on the impact of the COVID-19 outbreak). Consequently, potential investors are cautioned that the information set out in the Audited Financial Statements is not necessarily an indication of the financial performance of the Group as at the date of this Information Memorandum nor an indication of the financial performance of the Group that will be realised in the future, and, particularly in light of the impact of the COVID-19 outbreak, investors must exercise caution when referring to the information set out in the Audited Financial Statements and must not place undue reliance upon them.

Business risks

Changi Airport faces competition from other hub airports.

The international aviation market is highly competitive. Changi Airport faces competition from the development and growth of other hub airports in Asia Pacific and the Middle East that may draw traffic away or allow traffic to bypass Changi Airport.

As there are no fixed term operating contracts between the Issuer and any of its airline partners, there can therefore be no assurance as to the number of flights being handled by Changi Airport. The Issuer may experience a decline in traffic should international air traffic patterns shift to other airports and bypass Changi Airport. A decline in traffic to and from Changi Airport could adversely affect the Group's business, financial condition and/or results of operations. Changi Airport was previously the 7th busiest airport for international travel in 2019 but has since slipped in 2020 in light of COVID-19. It is not yet certain whether Changi Airport will regain its former position as one of the leading international air hubs.

Risk of decline in revenue collected from concessionaires.

A material part of the Group's revenue is derived from the leasing of retail space under concession arrangements at Changi Airport, which is driven by passenger numbers and the propensity of passengers to spend. Concession sales could also be affected by the mix of passengers, economic factors (including foreign currency exchange rates), rise of e-commerce, reduced competitiveness of the retail offerings compared to downtown Singapore or in the region, stricter carry-on baggage restrictions, regulatory restrictions (such as the ban on tobacco display), and reduced time available for shopping as a result of more rigorous and time-consuming security procedures. All these factors could adversely affect the Group's business, financial condition and/or results of operations.

The financial performance of the Group will also depend in part on its ability to continue to lease its properties on economically favourable terms. Competition for tenants and the consolidation amongst duty-free operators could also reduce the pool of tenants available and result in a significant decline in the rental rates at which the Group is able to lease its properties, and affect the Group's ability to renew existing leases or attract new tenants.

Dependence on key customers for a significant percentage of the Group's revenue.

The Issuer depends on its home-based carriers and some other key airlines, and key concessionaires for a substantial portion of its business. The Issuer expects that these key customers will continue to account for a significant percentage of its revenue.

As a result of this reliance, the Group's revenue is impacted by the number of flights and size of aircraft operated by these airlines through Changi Airport, the number of passengers carried by these airlines to and from Changi Airport, and the attractiveness of the retail offerings by these concessionaires. The Group's business, financial condition and/or results of operations could be adversely affected by the loss of any of these key customers, failure or disruption of services of any of these key customers, or any significant delay in recovering its revenue from these key customers.

Reliance on third-party service providers.

The Issuer engages many third-party service providers for various services (e.g. security personnel, maintenance services for specialised equipment used in the provision of airport services, information technology and contractors) in connection with, amongst others, the operations of Changi Airport. In addition, the Issuer also issues licences to third parties (e.g. ground handlers, aviation fuel suppliers, refuellers and fuel hydrant system operator) for the operation of essential services at Changi Airport. These service providers may experience operational disruptions for a variety of reasons (e.g. financial or liquidity problems or poor performance) and these operational disruptions could consequently affect the Issuer's operations if the service providers fail to perform their services adequately. While the Issuer will seek to find alternative replacements for these service providers when they experience such operational disruptions, it may be difficult to procure alternative service providers of the same quality or it may take time to do so, resulting in delays and disruptions in the interim. This could have a material adverse effect on the Group's business, financial condition and/or results of operations.

Additional security requirements can impact costs and breach of security procedures can have adverse effects.

International bodies, governmental agencies and authorities may introduce security measures that may affect airport operations and the costs associated with such operations. Failure on the part of the Issuer to comply with the security requirements applicable to it or obtain relevant security-related certification may prevent airlines from using its facilities, which could have a material adverse effect on its business, financial condition and/or results of operations.

Further, a major security breach or act of terrorism may result in disruption such as damage to the Issuer's facilities, temporary shutdown of the airport, cancellation or delay of flights and/or the introduction of additional or more stringent measures/regulations. The potential liabilities, losses and costs associated with any such outcome could have a material adverse effect on the Group's business, financial condition and/or results of operations.

Risk of accidents and incidents, some of which are outside the Issuer's control.

The risk of aircraft accidents and other serious incidents is inherent in air travel and airport operations and may be caused by a number of factors, including extreme weather conditions, equipment failure, wildlife strikes, runway incursion, presence of foreign objects on or near the runway, runway navigation systems failure, human error, unmanned aerial vehicle intrusions and terrorist activities, some of which are outside the Issuer's control. Any of these incidents could result in injury or loss of human life, and/or damage to airport infrastructure and facilities which would require closure of facilities and repairs before being returned to use. Such short or long-term closure of Changi Airport's facilities could lead to a material adverse effect on the Group's business, financial condition and/or results of operations.

While Changi Airport has taken up insurance, there is no assurance that such insurance will continue to be available on economically reasonable terms, or at all, or that such insurance will be sufficient to cover the potential costs or liabilities incurred by the Group and/or profits lost by the Group in connection with an aircraft or other accident.

Cybersecurity threats and failure in information and technology systems and/or equipment.

The Issuer and its key partners face cyber threats to their data and systems. The information and technology systems and/or equipment employed in connection with operations at Changi Airport are designed to enable the efficient use of infrastructure resources as well as to monitor and control all aspects of Changi Airport's operations. Breaches of Changi Airport's cybersecurity measures could result in unauthorised access to its IT and other systems, misappropriation of information or data (including personal data), deletion or modification of client information, or a denial-of-service, ransomware, or other interruption to its business operations. Any prolonged failure or breakdown could significantly impact the ability to offer services at Changi Airport, which could negatively impact the Issuer's reputation as an efficient and reliable airport operator. This could have a material adverse effect on the Group's business, financial condition and/or results of operations.

Changing laws and regulations relating to environmental matters may affect the Group's operations in the aviation industry.

Increasingly, governments, corporations, and consumers have begun to push for regulatory intervention into issues relating to environmental protection and climate resilience for international travel. As such, the Group's revenue and business operations are subject to various laws and regulations relating to environmental matters, particularly in relation to regulations pertaining to carbon emissions. These include, but are not limited to, global agreements that Singapore is subject to (e.g. the Paris Agreement on climate change), and standards set out by the relevant Singapore ministries and/or statutory boards, such as the Ministry of Sustainability and the Environment and the National Environment Agency. In some instances, governments and regulators may adopt restrictive policies with respect to the issuance of certain permits and approvals that may be potentially detrimental to the Group. This could have a material adverse effect on the Group's business, financial condition and/or results of operations.

Insurance cover for operational risks.

The Issuer has procured insurance cover to transfer to its insurers certain operational risks that are insurable. However, the insurance cover may not be adequate to completely cover lost income, reinstatement costs, increased expenses or other liabilities. Further, there can be no assurance that, if insurance cover is cancelled or not renewed, replacement cover will be available at commercially reasonable rates, or at all.

Should an incident occur in relation to which the Issuer has no insurance cover or inadequate insurance cover, the Issuer could lose any capital invested in, and anticipated revenues relating to, any property that is damaged or destroyed and, in certain cases, it may remain liable for financial obligations related to the impacted property. Any of these occurrences could have a material adverse effect on the Group's business, financial condition and/or results of operations.

Please also see the risk factor titled "*Death, personal injury or prohibited activities at Changi Airport may adversely affect its reputation and subject the Group to liability".*

The occurence of death, personal injury or prohibited activities at Changi Airport may adversely affect its reputation and subject the Group to liability.

The occurence of death, personal injury or prohibited activities at Changi Airport may adversely affect its reputation and subject the Group to liability. There are inherent risks of personal injuries as a result of defective infrastructure or lack of notice thereof, or occurence of prohibited activities (such as illegal drug use, violence or use of explosives) that may take place at Changi Airport. The occurrence of death, personal injury or prohibited activities at Changi Airport could adversely affect its safety reputation, harm its brand, decrease its overall passenger traffic and/or increase its costs by requiring the Group to implement additional safety measures. In addition, if death, personal injury or prohibited activities occur at Changi Airport, it may be subject to future litigation or other proceedings and held liable for costs, damages and/or fines. The Group's current insurance policies may not provide adequate coverage for such losses, and the Group may be unable to renew its insurance policies or obtain new insurance policies without increases in premiums and deductibles or decreases in coverage levels, or at all.

The Issuer is exposed to energy cost risks that are not within its control.

The Issuer is exposed to energy cost risks that are not within its control. The impact of higher energy costs could result in higher electricity costs, which is in turn a material cost item for the Issuer's operations at Changi Airport. The Issuer tries to mitigate this by entering into fixed-priced electricity contracts with fixed durations for its own consumption and implementing energy-saving solutions at Changi Airport. However, procuring fixed-priced electricity contracts may not address a prolonged spike in energy costs and also has its own inherent risks such as the failure of the counterparty to be able to fulfil its obligations under the fixed-priced electricity contracts as well as significant variance between the expected and actual electricity consumption due to unanticipated changes in demand. This variance could lead to higher energy cost than anticipated.

The rise in the cost of jet fuel translates into a direct cost increase for the Issuer's airline partners. When such increases are passed on to passengers in the form of higher fuel surcharges, the demand for air travel could be dampened. If so, the Group's business, financial condition and/or results of operations could be adversely affected.

Financial risks

Credit risks of customers.

The Issuer performs credit assessments on its customers. However, as some of these customers are privately-held companies and/or are not domiciled in Singapore, the Issuer may face additional difficulties obtaining reliable information on their financial positions. While the Issuer takes financial guarantees from customers (where applicable) and monitors outstanding receivables, there can be no assurance that the Issuer will be able to recover all outstanding receivables in the event of a default by any of its customers.

The Group faces financing and interest rate risks.

The Group may need to access the financial markets from time to time to finance its operations and investments. The Group's ability to access the financial markets is dependent on its credit quality. In the event the Group's ability to access the financial markets is affected, the Group may experience, amongst other things, an inability to meet its debt obligations leading to repayment defaults or non-compliance with debt covenants and undertakings in financing transactions.

Any changes in interest rates and the credit quality of the Group will impact its interest expense. The Group may also be susceptible to interest rate volatility if it is unable to maintain a balance between fixed and floating rate debts.

The Group faces counterparty risks.

The Group invests its surplus funds in interest-bearing bank deposits and other similar low risk investment products. Counterparty risks are managed by limiting the aggregated exposure to each counterparty, taking into account its credit rating. The counterparty exposures are regularly reviewed and adjusted as necessary. This mitigates the risk of material loss arising in the event of failure by any of its counterparties but there is no assurance that the Group will not suffer significant losses should a single failure result in a contagion effect.

The Group is exposed to fluctuations in currency exchange rates.

The Group presents its financial statements in Singapore dollars. The financial statements of each entity in which the Group invests in are measured using its respective functional currency which is determined by the primary economic environment under which the entity operates. The Group is thus exposed to fluctuations in currency exchange rates when translating the value of its foreign investments.

In addition to the currency translation exposure, the Group incurs foreign currency risk on transactions that are denominated in a currency other than the functional currencies of the Group entities. As at 31 March 2020, approximately 90% of the Group's revenue and expenditure is denominated in Singapore dollars.

Change in Government funding.

The development cost of the Changi East Project will be financed under a joint contribution model encompassing (i) funds from the Government, (ii) financing by the Issuer and (iii) revenue generated from airport users, namely passengers and airlines. The provision of any funding is at the discretion of the Government and/or CAAS. A lack of sufficient funding from the Government and/or CAAS may materially affect the funding requirements of the Changi East Project and the Group's business, financial condition and/or results of operations could be adversely affected.

Regulatory risks

The Issuer requires the Airport Licences and aerodrome certificate granted by CAAS.

The operation of the airport business of the Issuer is premised on the continuity of the Airport Licences. Failure to meet regulatory requirements could result in fines, suspension or other sanctions (including the revocation of the Airport Licences). The CAAS may, in its discretion, not agree to extend the Airport Licences without any reason for its decision.

In addition, pursuant to the Air Navigation Order, the Issuer is required to obtain an aerodrome certificate from the CAAS in order for flights to be operated at the Changi aerodrome.

If the Issuer's Changi Airport Licence or the aerodrome certificate is revoked, it would be unable to conduct its business as operator of Changi Airport, and its business, financial condition and/or results of operations could be adversely affected. Please see the section on "*The Issuer – Regulation*" for further details.

The lands, buildings and other properties which the Issuer operates from are leased from CAAS.

The Issuer has entered into a master lease agreement with CAAS whereby CAAS has agreed to grant to the Issuer sub-leases of the Changi Airport Properties for the period from 1 July 2009 to 31 March 2042, both dates inclusive. The Issuer has also accepted letters of offer from CAAS to lease some of the lands for the Changi East Project, until 31 March 2065. The remaining lands for the Changi East Project will be leased to the Issuer in due course.

The master lease agreement and the letters of offer contain various terms and conditions. Failure to comply with such terms and conditions may result in termination of the master lease agreement (in whole or in part) or revocation of the offer to lease land for the Changi East Project. In such an event, compensation may be payable as provided under the master lease agreement. Further, if the Issuer ceases to be the lessee of the Changi Airport Properties (whether due to the termination of the master lease agreement or otherwise), the Changi Airport Licence may be terminated by CAAS.

The loss of all or a material part of the Issuer's interest in the Changi Airport Properties or the failure to obtain a lease of the land for the Changi East Project could result in an adverse effect on the Group's business, financial condition and/or results of operations. There is no assurance that the compensation received by the Group, if any, will be sufficient to cover the potential impact to the Group arising from such loss of its interest in the Changi Airport Properties or such failure to obtain a lease of the land for the Changi East Project.

The Group's revenue could be affected by changes in regulatory controls, standards and requirements.

The Singapore air transport industry in general and the operation of Changi Airport is subject to a variety of laws and regulations. There can be no assurance that the current regulatory controls, standards and requirements would not be changed. Any changes in, or imposition of additional, regulatory controls, standards and requirements may impact airport traffic, passenger traffic and revenue, and/or increase the Issuer's operating and capital expenditure requirements. The Issuer also incurs costs imposed by CAAS such as licence fees, annual ground rent and the cost of services provided by CAAS, such as air navigation services. These regulatory costs amounted to approximately S$350 million in FY19/20, with the imposition and quantum of these costs subject to the full discretion of CAAS.

Further, under the CAAS Act, CAAS regulates the revenues the Issuer collects from airlines, airport customers and passengers under the price regulation framework. CAAS has powers to change the price regulation framework as it deems fit. There is no certainty that the Issuer would be able to generate cashflow to repay its debt. Potential tighter regulation on service standards, safety or security requirements could also result in increased costs and impact the Issuer's financial viability. The CAAS Act also requires the Issuer to make annual contributions from the Issuer's profit after tax to a reserve fund, which was established for the purpose of mitigating the impact on the civil aviation system brought about by adverse conditions and/or events. The contributions are based on pre-determined proportions established by CAAS, and are subject to regular reviews.

There can also be no assurance that the Government will not impose additional or more onerous regulatory controls on, or limit the scope of, the Issuer's operations, which may impact airport traffic, passenger traffic and revenue, and/or increase its operating and capital expenditure requirements.

The occurrence of one or more of the above risks may have an adverse effect on the Group's business, financial condition and/or results of operations.

The Issuer's subsidiary may engage in certain transactions in or with countries or persons that are subject to sanctions.

The U.S. and other jurisdictions and international organisations, including the European Union and the United Nations, have comprehensive or broad economic sanctions targeting certain countries, including South Sudan, Iran, Syria, Libya, Zimbabwe and North Korea.

The Issuer's subsidiary, CAI, invests in and manages foreign airports. CAI's key business activities include investments in airports, as well as the provision of consultancy and airport management services. CAI has a business presence in China, India, Japan, the Philippines, South America and Russia.

There can be no assurance that the entities with which CAI now engages in, or in the future may engage in, transactions and other contractual arrangements with will not be subject to U.S. and/or international sanctions. There can also be no assurance that the countries in which CAI currently operates, such as Russia, will not be subject to further and more restrictive sanctions in the future, or that the Office of Foreign Assets Control of the U.S. Department of the Treasury or other U.S. and/or international government agencies will not impose sanctions on other countries which CAI has operations in (presently or in the future).

In addition, there can be no assurance that CAI will not make future or additional investments in countries subject to U.S. and/or international sanctions, or itself become subject to sanctions. Further, if more sanctions are imposed on countries in which CAI does business, this could have a negative impact on its operations in these countries. If the Group were to increase its business operations in, or exposure to these countries, particularly relative to its total business, this could have a negative impact on its ability to raise money in international capital markets and on the international marketability of its securities.

Project risks

The Issuer's operations may require it to incur greater capital expenditures than it currently expects, which may materially adversely affect its business, financial condition and/or results of operation.

The Issuer undertakes scheduled upgrading and/or other large projects from time to time. However, the Issuer may be required to incur capital expenditure in excess of the amounts it originally budgeted for in the event that additional security, safety, operating or environmental requirements are imposed in connection with the operation of Changi Airport, or inaccurate costing of new projects or insufficient contingencies with respect to new developments which the Issuer may undertake and that the asset life of key infrastructure such as the terminals and airfield is less than what the Issuer expects.

The Issuer also has the responsibility under the regulatory framework for Changi Airport to ensure that it has the infrastructural capacity to meet the needs of airport users. Any delay in the execution of significant capital expenditure, whether within its control or not, could result in penalties being imposed by the regulators. In addition, the Issuer's reputation of developing Singapore as an air hub may also be affected if it cannot meet the growing needs of airlines and has to turn away business.

If the Issuer experiences any or all of the events outlined above, the Group's business, financial condition and/or results of operations could be materially adversely affected.

Planning and construction risks associated with the Changi East Project.

Cost uncertainty

Like any other major infrastructure construction project, the Changi East Project may be subject to a number of risks. For example:

- costs of governmental charges, land lease arrangement and the cost of the Changi East site, all of which have not been finalised;

- new regulatory requirements such as aviation security and environmental standards, higher levies for foreign workers and raw material costs; and

- ease of obtaining the requisite permits, consents (including environmental consents), licences, and planning permissions. Difficulties in obtaining these could adversely affect the design, delay and/or the cost of the Changi East Project.

There is thus a high degree of cost uncertainty associated with the Changi East Project. In addition, any failure to recognise, plan for and manage the cost of the Changi East Project could result in the Changi East Project overrunning budgets and/or incurring higher-than-expected operating costs.

There is no assurance that the Changi East Project will be completed as scheduled

There is no assurance that the Changi East Project will be completed as scheduled, or that counterparties to the Changi East Project will be able to deliver and/or perform their obligations in connection therewith. Neither is there any assurance that the anticipated benefits of the Changi East Project will be realised due to risks including, without limitation, shortages of materials or skilled labour, the outbreak of pandemic diseases such as COVID-19, unforeseen engineering problems, weather interference and litigation. As announced on 16 June 2020, the Terminal 5 project as part of the Changi East Project will be paused for at least two years amid uncertainty about how the COVID-19 outbreak will change the aviation sector.

Risk of construction accidents from the Changi East Project affecting the infrastructure of Changi Airport

The Changi East Project faces a risk of construction accidents. Construction accidents, in addition to the exposure to liabilities arising from these accidents, could delay the completion of the Changi East Project and disrupt Changi Airport's operations (e.g. runway incursions, damage to aircraft or critical airport infrastructure such as power lines). This may in turn result in a loss of revenue for the Issuer and adversely impact the reputation of Changi Airport. Construction accidents could also subject the Issuer to future litigation or other proceedings, the costs of which could be material, and/or subject the Issuer to substantial civil and/or criminal liability and/or other regulatory consequences.

Insurance proceeds may be insufficient to cover losses arising from the Changi East Project

While the Issuer maintains project insurance policies with reputable insurers, such policies may be insufficient to cover losses which might be incurred from the Changi East Project. The Changi East Project may be affected by a number of risks, including construction risks, accidents and other mishaps, business interruptions or potential damage to the Issuer's facilities, property and equipment and acts of God. There can be no assurance that insurance coverage effected by the Issuer will be sufficient to cover the losses arising from any or all such events or that the Issuer will be able to renew existing insurance cover or to renew such insurance cover on commercially reasonable terms, or that full insurance cover is available or available on commercially reasonable terms.

Should an incident occur in relation to the Changi East Project over which the Issuer has inadequate or no insurance cover, the Issuer could lose the capital invested in, and anticipated future revenues relating to, any property that is damaged or destroyed and, in certain cases, it may remain liable for financial obligations related to the impacted property.

All or any of the above factors could materially affect the Group's business, financial condition and/or results of operations.

External Investment risks

The Group faces investment risks in airports overseas.

The Group, through its wholly-owned subsidiary, CAI, has investments in airports overseas. Such investments, and future overseas investments, may be affected by adverse developments in the political, economic, and regulatory conditions in the countries where these investments are situated. Any adverse change in government policies on airport tariff regulations or aviation policies on airline traffic rights could materially affect the financial and operational conditions or the overall performance of the investee airports. There may also be repatriation risks as the rules for the repatriation of dividends, capital and proceeds of divestment may change adversely.

The development, operation and management of overseas investee airports are also subject to similar operating and business risks faced by Changi Airport, such as risk of completion delays and cost overruns in their construction or capacity expansion programme, unexpected decline in passenger and cargo traffic, unforeseen material increase in operating costs (e.g. due to change in airport security measures), and *force majeure* risks (e.g. volcanic ash, earthquake, other "acts of God" etc.).

To the extent the investee airports take on debt to finance their operations, they will be exposed to risks of increase in borrowing costs and principal repayment or refinancing risks.

As the investments are denominated in currencies other than Singapore dollars, fluctuations in exchange rates will further affect their carrying and exit values. Investments in overseas airports are generally illiquid. The eventual liquidity of such investments will be dependent upon the success of the exit strategy identified for them, which may be affected by a variety of risks factors that cannot be predicted with certainty, including market conditions and required regulatory approvals at the time of exit. In some investments, there may be exit constraints due to the presence of shareholders which are state entities (representing federal/central government or local government) with veto rights on exit (e.g. exit through initial public offering). In addition, the investee airports are also subjected to similar risks as faced by the Issuer.

If the Issuer determines that the value of any of its investment is impaired, the Issuer would record an impairment loss. There is no guarantee that there will be no further impairment loss recorded on investments which had previously been impaired.

The Group faces risks inherent in investing in companies which it does not wholly own.

The Group has invested, and will continue to, invest in aviation-related businesses through companies in which the Group may or may not have a significant stake.

Such investments may involve risks associated with the possibility that the other investment partner(s) may have economic, business or legal interests or goals that are inconsistent with the Group's interests, leading such partner(s) to be unwilling to fulfil its/their obligations, or such partner(s) may experience financial difficulties and as a result, is/are unable to carry out its/their agreed roles and responsibilities. Differences may arise between the Group and other investors regarding the business, strategy and operations of the investee company which may not be resolved amicably, which may take time to resolve, or which may not result in a positive outcome for the Group such as the other investment partner(s) taking actions contrary to the Group's instructions or requests, policies or objectives.

In some investments, partners may include state entities (representing federal/central or local government) with veto rights on certain matters in the concession agreement governing the operations of the underlying airport. Such investment partners may exercise the relevant veto rights to the detriment of the Group's economic interests. Changes in the local regime (economic, regulatory, political or otherwise) could have a material adverse impact on the investment partners and/or the investments.

These factors could adversely affect the Group's ability to deal with its investments in a manner which achieves its objectives, and in turn could have a material adverse impact on the Group's business, financial condition and/or results of operations.

The Group faces investment risks in Jewel.

Impact of COVID-19 on Jewel

The implementation of elevated safe distancing measures from 7 April 2020 to 1 June 2020 in Singapore due to COVID-19 (the "**Circuit Breaker Period**") forced tenants of Jewel who are deemed non-essential services to suspend their businesses during this period. Most of the retail stores and attractions at Jewel had to be shut down and businesses were affected by low domestic demand. After the Circuit Breaker Period, the enhanced social distancing measures continued to have some impact on the footfall to Jewel. To help tenants manage costs and optimise resources, Jewel offered various assistance packages such as rental rebates and also worked closely with tenants to adjust their outlet operating hours. The above measures are likely to reduce Jewel's profitability and may affect its valuation, which may in turn have a material adverse impact on the Group's business, financial condition and/or results of operations.

Jewel operates in a highly competitive retail environment

Jewel operates in a highly competitive retail landscape and faces intense competition in Singapore. Jewel competes not only with other retail malls in Singapore but also with other forms of retail organisations such as general merchandise stores, outlet malls, speciality stores, numerous small retail stores in Singapore, mail-order retailers and internet shopping websites. The success and continued growth of Jewel's business is dependent on the ability of Jewel to establish and maintain an effective and versatile marketing and branding strategy, in order to identify and adapt quickly to changes in consumer needs, behaviour and preferences. Whilst Jewel strives to differentiate itself from its competitors by branding itself as an aviation-related mixed-use complex featuring gardens and attractions and providing customers a wide variety of retail offerings, should any of its competitors have access to a wider customer base or range of products, or be able to offer more competitive pricing, the Group's business, financial condition and/or results of operations may be materially and adversely affected.

In addition, given the rise of electronic commerce and online retailing, retailers, including the Group's retail tenants, have and may develop their own online shopping platforms to decrease their dependence on traditional retail channels, including conventional "brick and mortar" shops. As a result, Jewel may be unable to attract tenants at the current out-going rents following the expiry or termination of leases, which may in turn have a material adverse impact on the Group's business, financial condition and/or results of operations.

RISKS ASSOCIATED WITH AN INVESTMENT IN THE NOTES

There may be limited liquidity of the Notes.

There can be no assurance regarding the future development of the market for the Notes issued under the Programme or the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes. The Notes may have no established trading market when issued, and one may never develop. Even if a market for the Notes does develop, there can be no assurance as to its liquidity or sustainability. Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Even if there is a secondary market, there can be no assurance that any secondary market activities will be continuous or regular. The value of Notes may fluctuate for various reasons. This may particularly be the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes may generally have a more limited secondary market and more price volatility than conventional debt securities.

The lack of liquidity may have a severe adverse effect on the market value of the Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

There may be fluctuations in the market value of the Notes.

Trading prices of the Notes are influenced by numerous factors, including the operating results and/or financial condition of the Group and/or the Issuer's associated companies (if any), the market for similar securities, political, economic, financial and any other factors that can affect the capital markets, the industry and the Group and/or the Issuer's associated companies (if any) generally.

Adverse economic developments, in Singapore as well as countries in which the Group and/or the Issuer's associated companies (if any) operate or have business dealings, could have a material adverse effect on the operating results and/or the financial condition of the Group and/or the Issuer's associated companies (if any).

Further, any global financial turmoil could result in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market value of the Notes.

Interest rate risk.

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk.

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

Performance of contractual obligations by the Issuer may be dependent on other parties.

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee, the Issuing and Paying Agent and Agent Bank of their respective obligations. Whilst the non-performance of any relevant party will not relieve the Issuer of its obligations to make payments in respect of the Notes, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders and the Couponholders.

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable amendment or supplement to this Information Memorandum;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The value of the Notes could be adversely affected by a change in Singapore law or administrative practice.

The terms and conditions of the Notes are based on Singapore law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change in Singapore law or administrative practice after the date of this Information Memorandum and any such change could materially and adversely impact the value of any Notes affected by it.

Application of Singapore insolvency and related laws to the Issuer may result in a material adverse effect on the Noteholders.

There can be no assurance that the Issuer will not become bankrupt, unable to pay its debts or insolvent or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the Noteholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Noteholders.

Where the Issuer is insolvent or close to insolvent and undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer. It may also be possible that if a company related to the Issuer proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer may also seek a moratorium even if the Issuer is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, either with court permission or if so permitted by the judicial manager. Accordingly, if, for instance, there is any need for the Trustee to bring an action against the Issuer, the need to obtain court permission or (as the case may be) the consent of the judicial manager may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Noteholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Noteholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) (the "**IRD Act**") was passed in the Parliament of Singapore on 1 October 2018 and came into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, the Notes. However, it may apply to related contracts that are not found to be directly connected with the Notes.

The Notes may be subject to optional redemption by the Issuer.

An optional redemption feature is likely to limit the market value of the Notes containing such a feature. During any period when the Issuer may elect to redeem the Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem any or all of the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate that is as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Notes may be issued at a substantial discount or premium.

The market value of securities issued at a substantial discount or premium to their principal amount may fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Variable Rate Notes may have a multiplier or other leverage factor.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

There are currency risks associated with Notes denominated in foreign currencies.

The majority of the Issuer's revenue and operating expenses are denominated in Singapore dollars. As Notes issued under the Programme may be denominated in currencies other than Singapore dollars, the Issuer may be affected by fluctuations between the Singapore dollar and such foreign currencies in meeting the payment obligations under such Notes and there is no assurance that the Issuer may be able to fully hedge the currency risks associated with such Notes denominated in foreign currencies.

The Changi Airport Licence and/or the Issuer's assets may be transferred to any of the Issuer's subsidiaries.

The Changi Airport Licence and/or the other assets which are currently held by the Issuer may be transferred to any of the Issuer's subsidiaries during the term of the Notes. If any such event were to occur, the Issuer may only be a holding company to the subsidiary operating Changi Airport whilst the Notes are still outstanding. Please see the risk factor on "Risk on rights of claim".

Risk on rights of claim.

Noteholders generally do not have a right of claim against the assets of the subsidiaries of the Issuer. Generally, claims of creditors, including trade creditors, and other claims of preferred shareholders, if any, of such subsidiaries will have priority with respect to the assets and earnings of such subsidiaries over the claims of the Issuer and its creditors.

The Issuer's ability to comply with its obligation to repay the Notes may be dependent upon the future performance of the Group and the earnings of, and distributions by, the members of the Group.

The ability of the Issuer to make scheduled principal and/or interest payments on its indebtedness, including the Notes, and to fund its growth aspirations, will depend on the Group's future performance and its ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed under this section on "*Risk Factors*", many of which are beyond the control of the Issuer. If the Issuer's future cash flow from operations and other capital resources are insufficient to pay its debt obligations, including the Notes, or to fund its other liquidity needs, it may be forced to sell assets, attempt to restructure or refinance its existing indebtedness. No assurance can be given that the Issuer would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

Further, the Issuer's ability to comply with its obligation to repay the Notes may depend on the earnings of the Group and the distribution of funds amongst members of the Group, primarily in the form of dividends. Whether or not the members of the Group can make distributions to the Issuer may depend on distributable earnings, cash flow conditions, restrictions that may be contained in the debt instruments of its members, applicable law and other arrangements. These restrictions could reduce the amount of distributions that the Issuer receives from its members, which may restrict the Group's ability to fund its business operations and the Issuer's ability to comply with its payment obligations under the Notes.

Where the Global Notes are held by or on behalf of Euroclear, Clearstream, Luxembourg and/or CDP, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Note(s) will be deposited with (i) a common depositary for Euroclear and Clearstream, Luxembourg and/or (ii) CDP. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear, Clearstream, Luxembourg or CDP (as the case may be) will maintain records of the direct account holders in relation to the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear, Clearstream, Luxembourg or CDP (as the case may be).

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of (i) the common depositary for Euroclear and Clearstream, Luxembourg and/or (ii) CDP (as the case may be) for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear, Clearstream, Luxembourg or CDP (as the case may be) to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes deposited with Euroclear, Clearstream, Luxembourg or CDP (as the case may be) will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear, Clearstream, Luxembourg or CDP (as the case may be) to appoint appropriate proxies.

Holders of beneficial interests in the Global Notes deposited with Euroclear, Clearstream, Luxembourg and/or CDP (as the case may be) will not have a direct right under the respective Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks".

The Programme allows for the issuance of Notes that reference certain interest rates or other types of rates or indices which are deemed to be "benchmarks", including London Interbank Offered Rate ("**LIBOR**"), Euro Interbank Offered Rate ("**EURIBOR**"), Swap Offer Rate ("**SOR**") or Singapore Interbank Offered Rate ("**SIBOR**"), in particular with respect to certain Floating Rate Notes where the reference rate may be LIBOR, EURIBOR, SIBOR, SOR or another such benchmark. The Pricing Supplement for the Notes will specify whether LIBOR, EURIBOR, SIBOR, SOR or another such benchmark is applicable.

Interest rates and indices which are deemed to be or used as "benchmarks" are the subject of recent international and national regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to, or referencing, such a benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") and Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") apply to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union ("**EU**") and the United Kingdom, respectively. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU or non-UK based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU or UK supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU or non-UK based, not deemed equivalent or recognised or endorsed). The EU Benchmarks Regulation and the UK Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks

Regulation and the UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms or the general increased regulatory scrutiny of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

For example, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority has through a series of announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

As the SOR methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after the end of 2021 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that it has established a steering committee to oversee an industry-wide interest rate benchmark transition from the SOR to the Singapore Overnight Rate Average ("**SORA**"). In addition, the Association of Banks in Singapore ("**ABS**") and the Singapore Foreign Exchange Market Committee ("**SFEMC**") released a consultation report "Roadmap for Transition of Interest Rate Benchmarks: From SOR to SORA" identifying SORA as the alternative interest rate benchmark to SOR, envisaging a phased transition over two years. On 19 March 2020, the Steering Committee for SOR Transition to SORA ("**SC-STS**") released its response to feedback received on the consultation report in which the SC-STS noted that overall, there was broad support for the proposed transition roadmap and approach set out in the consultation report. In its response, the SC-STS also outlined its key priorities and updated transition roadmap to achieve a smooth transition from SOR to SORA as the new interest rate benchmark for the SGD cash and derivatives markets. On 29 July 2020, the ABS, SFEMC and SC-STS (together, the "**Committees**") issued another consultation report titled "SIBOR Reform and the Future Landscape for SGD Interest Rate Benchmarks" which recommends the discontinuation of SIBOR in three to four years, and a shift to the use of the SORA as the main interest rate benchmark for SGD financial markets. On 5 August 2020, MAS announced several key initiatives to support the adoption of SORA, which include issuing SORA-based floating rate notes on a monthly basis starting from 21 August 2020, as well as publishing key statistics involving SORA on a daily basis. As part of the initiatives by MAS, SORA was prescribed as a financial benchmark under the SFA pursuant to the Securities and Futures (Prescribed Financial Benchmark) Regulations 2020, which came into operation on 5 August 2020. On 27 October 2020, SC-STS announced industry timelines to support a coordinated shift away from the use of SOR, and to concurrently accelerate the usage of SORA. SOR is set to be discontinued alongside LIBOR discontinuation after end-2021, and by end-April 2021, the issuance of SOR-linked loans and securities that mature after end-2021 are expected to cease. On 11 December 2020, the Committees released their responses to feedback received on the consultation report titled "SIBOR Reform and the Future Landscape for SGD Interest Rate Benchmarks" and also published timelines for the discontinuation of SIBOR by end-2024. In addition, the MAS expanded the mandate of the SC-STS to enable it to oversee the interest rate benchmark transition from SIBOR to SORA.

The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks:

(i) discourage market participants from continuing to administer or contribute to the benchmark;

(ii) trigger changes in the rules or methodologies used in the benchmark; or

(iii) lead to the disappearance of the benchmark.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or they could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the terms and conditions of the Notes, or result in adverse consequences to holders of any securities linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and the UK Benchmarks Regulation or any of the international or national reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Noteholders face exchange rate risks and exchange control risks.

The Issuer will pay principal and interest on the Notes. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Notes are denominated (the "**Specified Currency**"). These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes, if any, and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less interest and/or principal than expected, or no interest and/or principal at all.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should seek independent legal advice to determine whether and to what extent (1) the Notes are legal investments for the potential investor, (2) the Notes can be used as collateral for various types of borrowing and

(3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Singapore taxation risk.

Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2023 are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described under the section on "*Singapore Taxation*" in this Information Memorandum.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

The Trustee may request Noteholders to provide an indemnity, security and/or pre-funding to its satisfaction.

In certain circumstances (including pursuant to Condition 9 of the Notes), the Trustee may (at its discretion) request the Noteholders to provide an indemnity, security and/or pre-funding to its satisfaction before it takes action on behalf of the Noteholders. The Trustee shall not be obliged to take any such action if not indemnified, secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity, security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity, security and/or pre-funding to it, if doing so will or may result in a breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations, and to the extent permitted by the agreements and the applicable law, it may be for the Noteholders to take such action directly.

Enforcement of remedies.

Enforcement of available remedies under the Trust Deed, the Notes and the Coupons, could result in delays in recovery of amounts owed to the Noteholders by the Issuer. There is no assurance that the Trustee would be able to recover all amounts secured upon such enforcement, and funds received may not be sufficient to make all required payments to the Noteholders.

The provisions in the Trust Deed and the terms and conditions of the Notes may be modified or waived.

The provisions in the Trust Deed and the terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The terms and conditions of the Notes also provide that the Trustee may agree at any time or times, without the consent or sanction of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which is of a formal, minor or technical nature, is made to correct a manifest or proven error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders.

The Notes are not secured.

The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu,* without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

Accordingly, on a winding-up or insolvency of the Issuer at any time prior to maturity of any of the Notes, the Noteholders and Couponholders will not have recourse to any specific assets of the Issuer, its subsidiaries and/or its associated companies (if any) as security for outstanding payment or other obligations under the Notes and/or Coupons owed to the Noteholders and Couponholders and there can be no assurance that there would be sufficient value in the assets of the Issuer, after meeting all claims ranking ahead of the Notes, to discharge all outstanding payment and other obligations under the Notes and/or Coupons owed to the Noteholders and Couponholders.

USE OF PROCEEDS

The net proceeds arising from the issue of Notes under the Programme (after deducting issue expenses) will be used for general corporate or working capital purposes, or such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Notes through the Depository System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Payments of principal or interest with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

TAXATION

Singapore taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to acquire, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Holders and prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arrangers, the Dealers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17%. The applicable rate for non-resident individuals is currently 22%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(i) interest from debt securities derived on or after 1 January 2004;

(ii) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(iii) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

- "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

- "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

- "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

At establishment, the Programme as a whole was arranged by DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank, each of which was a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) at such time. With effect from 5 February 2021, Standard Chartered Bank has been terminated, and Standard Chartered Bank (Singapore) Limited has been appointed, as an arranger and dealer under the Programme. As at the date of this Information Memorandum, Standard Chartered Bank (Singapore) Limited is a Financial Sector Incentive (Standard Tier) Company (as defined in the ITA). Accordingly, any tranche of the Notes issued or to be issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 ("**Relevant Notes**") would be qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(A) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), "prepayment fee", "redemption premium" and "break cost" (collectively, the "**Specified Income**") from the Relevant Notes, paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax; and

(B) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Specified Income from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore, other than any non-resident who qualifies for the tax exemption as described in paragraph (A) above, is subject to income tax at a concessionary rate of 10% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(C) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Specified Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(1) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(2) even though a particular tranche of Relevant Notes are QDS, if at any time during the tenor of such tranche of Relevant Notes, 50% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived from such Relevant Notes held by:–

(a) any related party of the Issuer; or

(b) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or the concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore.

Notwithstanding that the Issuer is permitted to make payments of Specified Income in respect of the Relevant Notes without deduction or withholding of tax under Section 45 or Section 45A of the ITA, any person whose Specified Income (whether it is interest, discount income, prepayment fee, redemption premium or break cost) derived from the Relevant Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

There are no specific laws or regulations which deal with the characterisation of capital gains. The characterisation of the gains arising from a sale of the Notes will depend on the individual facts and circumstances of the holder and relating to that sale of the Notes.

Holders of the Notes who apply, or who are required to apply Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "*Adoption of FRS 39, FRS 109 and SFRS(I) 9 for Singapore Income Tax Purposes*".

3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued an e-Tax Guide entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 (as the case may be) for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued an e-Tax Guide entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (a) any non-U.S. financial institution (a foreign financial institution or FFI (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (b) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" (a Recalcitrant Holder). Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payment made under, or in respect of, the Notes by the Issuer, any paying agent and the common depositary, given that each of the entities in the payment chain beginning with the Issuer and ending with the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an inter-governmental agreement will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, definitive Notes will only be printed in remote circumstances.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer may subscribe or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

The Arrangers, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or its affiliates' business. The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including, without limitation, rebates to private banks as may be specified in the applicable Pricing Supplement).

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

In connection with Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers and/or their respective affiliates may place orders, receive allocations and purchase Notes for their own account (without a view to distributing such Notes) and such orders and/or allocations of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering. Accordingly, references herein to the Notes being "offered" should be read as including any offering of the Notes to the Arrangers, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

While each of the Arrangers, the Dealers and/or any of their respective affiliates may have policies and procedures to deal with conflicts of interests, any such transactions may cause the Arrangers, the Dealers or any of their respective affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. The Arrangers, the Dealers or any of their respective affiliates may receive returns on such transactions and have no obligations to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it has not offered, sold or delivered, and will not offer, sell or deliver, the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of such Tranche, as determined and certified to the Issuer and each relevant Dealer by the Issuing and Paying Agent, by such Dealer (or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager), of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

European Union

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression “**retail investor**” means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**EU MiFID II**”);

  (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or

  (iii) not a qualified investor as defined in the EU Prospectus Regulation; and

(b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the EU Prospectus Regulation in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the EU Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and, the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**");

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom, except that it may make an offer of such Notes to the public in the United Kingdom:

(a) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA, or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Hong Kong

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and

Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**")), other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the "**Companies Ordinance**") or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been and will not be registered as a prospectus with the MAS under the SFA. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

(1) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the "**SFA**" is a reference to the Securities and Futures Act (Chapter 289 of Singapore) and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes, this Information Memorandum, any Pricing Supplement or any other document in connection with the offer or sale of the Notes.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

SHARE CAPITAL

1. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the Shares are stated in the Constitution of the Issuer.

2. The issued share capital of the Issuer as at the date of this Information Memorandum is as follows:

	Issued Share Capital	
Share Designation	**Number of Shares**	**Amount**
Ordinary Shares	3,280,387,236	S$3,280,387,236.00

BORROWINGS

3. Save as disclosed in Appendix III, the Group had, as at 31 March 2020, no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

4. None of the loans and borrowings as at the date of this Information Memorandum was undertaken by the Issuer and all loans and borrowings undertaken at the subsidiaries level have no recourse to the Issuer.

WORKING CAPITAL

5. The Issuer is of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, the Issuer will have adequate working capital for its present requirements.

CHANGES IN ACCOUNTING POLICIES

6. There has been no significant change in the accounting policies of the Issuer since its audited consolidated financial statements for the year ended 31 March 2020.

LITIGATION

7. There are no legal or arbitration proceedings pending or, so far as the Issuer is aware, threatened against the Issuer the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Group.

MATERIAL ADVERSE CHANGE

8. Save as disclosed in this Information Memorandum, there has been no material adverse change in the financial condition or business of the Issuer or the Group since 31 March 2020. Please refer to the sections titled "*The Issuer – Impact of COVID-19*" and "*Risk Factors – COVID-19 risks*" in this Information Memorandum for further details on the impact of COVID-19 on the Issuer and the Group.

AUDITOR'S CONSENT

9. PricewaterhouseCoopers LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

10. Copies of the following documents may be inspected at the registered office of the Issuer at 60 Airport Boulevard, #046-037, Changi Airport Terminal 2, Singapore 819643 during normal business hours by prior appointment for a period of six months from the date of this Information Memorandum:

    (a) the Constitution of the Issuer;

    (b) the Trust Deed; and

    (c) the audited consolidated financial statements of the Group for the financial year ended 31 March 2019 and the audited consolidated financial statements of the Group for the financial year ended 31 March 2020.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

11. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The information in this Appendix II has been reproduced from the annual report of Changi Airport Group (Singapore) Pte. Ltd. and its subsidiaries for the financial year ended 31 March 2019 and has not been specifically prepared for inclusion in this Information Memorandum.

CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.
AND ITS SUBSIDIARIES
(Incorporated in Singapore. Registration Number: 200910817N)

ANNUAL REPORT
For the financial year ended 31 March 2019

CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.
AND ITS SUBSIDIARIES

ANNUAL REPORT
For the financial year ended 31 March 2019

Contents

DIRECTORS' STATEMENT
For the financial year ended 31 March 2019

The directors present their statement to the member together with the audited financial statements of the Group for the financial year ended 31 March 2019 and the balance sheet of the Company as at 31 March 2019.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 6 to 74 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; 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.

Directors

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

Mr Liew Mun Leong	
Mr Eric Ang Teik Lim	
Mr Michael George William Barclay	
Mr Chia Song Hwee	(Appointed on 1 October 2018)
Mr Kelvin Fan Sui Siong	(Appointed on 15 August 2018)
Mr Richard R Magnus	
Mr Ng Chee Khern	
Mrs Tan Ching Yee	
Mr Tan Gee Paw	
Mr Tan Kong Yam	
Mr Danny Teoh Leong Kay	
Mr Lim Zhi Jian	(Alternate director to Mrs Tan Ching Yee)
Mr Lee Seow Hiang	

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Liew Mun Leong
Director

Lee Seow Hiang
Director

28 May 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Changi Airport Group (Singapore) Pte. Ltd. (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:
• the consolidated income statement of the Group for the financial year ended 31 March 2019;
• the consolidated statement of comprehensive income of the Group for the financial year then ended;
• the balance sheets of the Company and the Group as at 31 March 2019;
• the consolidated statement of changes in equity of the Group for the financial year then ended;
• the consolidated statement of cash flows of the Group for the financial year then ended; and
• the notes to the financial statements, including a summary of significant accounting policies.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

Management is responsible for the other information. The other information refers to the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's 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 and FRSs, 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.

Auditor's 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 auditor's 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 control.

- Obtain an understanding of internal control 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 control.

- 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 auditor's 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 auditor's 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD. (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

We also provide the directors 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.

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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 28 May 2019

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2019

	Note	Group 2019 $'000	2018 $'000
Revenue	4	**3,039,915**	2,601,829
Expenses			
- Employee compensation	5	**(307,974)**	(256,593)
- Depreciation of property, plant and equipment	12	**(502,596)**	(344,016)
- Amortisation of intangible assets		**(43,472)**	(13,292)
- Property tax		**(68,595)**	(63,926)
- Maintenance of land, buildings and equipment		**(304,398)**	(260,421)
- Services and security related expenses		**(309,689)**	(243,919)
- Annual ground rent and licence fees		**(79,009)**	(79,810)
- CAAS services		**(227,859)**	(220,458)
- Regulatory contribution		**(84,921)**	-
- Other operating expenses		**(191,497)**	(166,523)
Total expenses		**(2,120,010)**	(1,648,958)
Operating profit		**919,905**	952,871
Finance expenses	6	**(212,580)**	(57,524)
Other income and losses - net	7	**94,322**	116,493
Share of results of associated companies and joint ventures	15	**12,408**	(3,081)
Profit before income tax		**814,055**	1,008,759
Income tax expense	8	**(240,366)**	(173,858)
Profit after tax		**573,689**	834,901
Profit after tax attributable to:			
Equity holder of the Company		**677,276**	849,299
Non-controlling interests		**(103,587)**	(14,398)
		573,689	834,901

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2019

	Note	Group 2019 $'000	Group 2018 $'000
Profit after tax		**573,689**	834,901
Other comprehensive loss:			
Items that will not be reclassified subsequently to profit or loss:			
Share of reserve of associated company		**5,309**	9,591
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Fair value gains		**7,826**	1,846
- Share of hedging reserve from an associated company		**(13,154)**	-
Currency translation losses		**(243,470)**	(20,848)
Other comprehensive loss, net of tax		**(243,489)**	(9,411)
Total comprehensive income		**330,200**	825,490
Total comprehensive income attributable to:			
Equity holder of the Company		**544,407**	838,981
Non-controlling interests		**(214,207)**	(13,491)
		330,200	825,490

The accompanying notes form an integral part of these financial statements.

CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.
AND ITS SUBSIDIARIES

BALANCE SHEETS
As at 31 March 2019

		Group		Company	
	Note	**2019**	2018	**2019**	2018
		$'000	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and cash equivalents	9	**1,762,845**	2,064,924	**1,588,829**	1,740,605
Trade and other receivables	10	**297,478**	321,133	**207,254**	241,854
Other current assets	11	**31,338**	37,383	**21,016**	24,795
Other investments	17	**102,677**	102,581	**102,677**	102,581
Derivative financial instruments	22	**8,207**	-	**8,207**	-
Inventories		**12,518**	13,541	**7,534**	8,089
Tax recoverable		**9,733**	37,245	**-**	-
		2,224,796	2,576,807	**1,935,517**	2,117,924
Non-current assets					
Trade and other receivables	10	**-**	-	**1,322,488**	1,130,375
Other non-current assets		**735**	254	**8,844**	5,795
Property, plant and equipment	12	**6,254,006**	5,610,349	**6,190,833**	5,568,598
Intangible assets	13	**4,619,135**	5,037,716	**-**	-
Investments in subsidiaries	14	**-**	-	**263,767**	257,967
Investments in associated companies and joint ventures	15	**345,680**	266,648	**11,947**	11,947
Investment property under development	16	**1,492,275**	1,117,766	**-**	-
Other investments	17	**7,909**	7,789	**7,657**	7,789
Deferred income tax assets	18	**163,755**	276,130	**-**	-
		12,883,495	12,316,652	**7,805,536**	6,982,471
Total assets		**15,108,291**	14,893,459	**9,741,053**	9,100,395
LIABILITIES					
Current liabilities					
Trade and other payables	19	**1,227,012**	1,014,995	**929,658**	746,622
Concession payable	20	**24,453**	425,444	**-**	-
Loan and borrowings	21	**1,009,623**	134,087	**-**	90,000
Derivative financial instruments	22	**137**	-	**-**	-
Income received in advance		**27,369**	17,711	**15,275**	13,208
Deferred income		**12,830**	15,343	**4,311**	4,311
Current income tax liabilities		**189,742**	200,038	**187,291**	197,652
		2,491,166	1,807,618	**1,136,535**	1,051,793
Non-current liabilities					
Trade and other payables	19	**145,323**	152,897	**133,215**	145,362
Concession payable	20	**3,065,657**	3,069,314	**-**	-
Loan and borrowings	21	**642,228**	1,197,819	**-**	-
Derivative financial instruments	22	**-**	2,674	**-**	-
Deferred income		**203,526**	154,103	**150,130**	84,412
Deferred income tax liabilities	18	**99,201**	72,492	**98,762**	72,218
		4,155,935	4,649,299	**382,107**	301,992
Total liabilities		**6,647,101**	6,456,917	**1,518,642**	1,353,785
NET ASSETS		**8,461,190**	8,436,542	**8,222,411**	7,746,610
EQUITY					
Share capital and reserves	23	**3,548,624**	3,585,150	**3,791,566**	3,689,934
Retained profits	24	**4,290,167**	4,014,786	**4,430,845**	4,056,676
		7,838,791	7,599,936	**8,222,411**	7,746,610
Non-controlling interests		**622,399**	836,606	**-**	-
Total equity		**8,461,190**	8,436,542	**8,222,411**	7,746,610

The accompanying notes form an integral part of these financial statements.

CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

	Share capital $'000	Hedging and other reserves $'000	Currency translation reserve $'000	Sinking fund reserve $'000	Retained profits $'000	Non-controlling interest $'000	Total equity $'000
2019							
Beginning of financial year	**3,280,387**	**21,188**	**(125,972)**	**409,547**	**4,014,786**	**836,606**	**8,436,542**
Dividend paid	-	-	-	-	(305,552)	-	(305,552)
Sinking fund contribution	-	-	-	96,343	(96,343)	-	-
Total comprehensive income	-	(1,262)	(131,607)	-	677,276	(214,207)	330,200
End of financial year	**3,280,387**	**19,926**	**(257,579)**	**505,890**	**4,290,167**	**622,399**	**8,461,190**
2018							
Beginning of financial year	**3,280,387**	**10,656**	**(105,122)**	**175,951**	**3,682,266**	**(7,411)**	**7,036,727**
Dividend paid	-	-	-	-	(283,183)	-	(283,183)
Sinking fund contribution	-	-	-	233,596	(233,596)	-	-
Capital contribution from non-controlling interest	-	-	-	-	-	584,356	584,356
Acquisition of a subsidiary with non-controlling interest	-	-	-	-	-	273,152	273,152
Total comprehensive income	-	10,532	(20,850)	-	849,299	(13,491)	825,490
End of financial year	**3,280,387**	**21,188**	**(125,972)**	**409,547**	**4,014,786**	**836,606**	**8,436,542**

The accompanying notes form an integral part of these financial statements.

CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Profit after tax		**573,689**	834,901
Adjustments for:			
- Income tax expense		**240,366**	173,858
- Depreciation of property, plant and equipment		**502,596**	344,016
- Amortisation of intangible assets		**43,472**	13,292
- Government grant		**(26,096)**	(21,809)
- Net loss on disposal of property, plant and equipment		**2,048**	1,290
- Impairment/(write back) of investment in associated companies		**9,600**	(13,012)
- Gain on remeasurement of previously held interest in an associated company		**-**	(40,229)
- Foreign currency losses recycled on deemed disposal of previously held interest in an associated company		**-**	31,033
- Bargain purchase on acquisition of a subsidiary - net		**-**	(61,192)
- Impairment of trade and other receivables		**2,952**	1,103
- Share of results of associated companies and joint ventures		**(12,408)**	3,081
- Unrealised currency translation differences		**(16,231)**	(1,213)
- Fair value (gain)/loss on financial assets held at fair value		**(2,623)**	904
- Fair value gain on derivatives		**(1,834)**	-
- Amortisation of deferred income		**(15,343)**	(5,862)
- Finance expense		**212,580**	57,524
- Interest income		**(42,458)**	(43,675)
- Gain on dilution of interest in associated company		**(29,782)**	-
- Regulatory contribution		**84,921**	-
		1,525,449	1,274,010
Changes in working capital			
- Inventories		**1,023**	(503)
- Trade and other receivables		**48,955**	(15,493)
- Other assets		**8,280**	(2,445)
- Trade and other payables		**43,508**	128,129
Cash generated from operations		**1,627,215**	1,383,698
Interest received		**47,075**	62,640
Interest paid		**(62,623)**	(26,608)
Government grants received		**26,096**	21,809
Income tax paid		**(140,845)**	(193,903)
Net cash provided by operating activities		**1,496,918**	1,247,636
Cash flows from investing activities			
Additions to property, plant and equipment and capital work-in-progress		**(1,129,861)**	(1,036,866)
Additions to investment property under development		**(305,746)**	(282,798)
Additions to intangible assets		**(38,629)**	(11,873)
Payment of concession liabilities		**(370,034)**	(1,031,961)
Net cash acquired on acquisition of a subsidiary		**-**	114,823
Proceeds from return of capital from an associated company		**-**	7,581
Proceeds from return of capital from a fund investment		**1,592**	-
Proceeds from disposal of property, plant and equipment		**280**	56
Payment for investment in associated companies and joint ventures		**(91,422)**	(193,821)
Dividend income received		**7,040**	-
Purchase of financial assets at fair value through profit or loss		**(1,732)**	(107,030)
Purchase of held-to-maturity financial assets		**-**	(3,107)
Proceeds from financial assets at amortised cost / held-to-maturity financial assets		**2,750**	120,500
Net cash used in investing activities		**(1,925,762)**	(2,424,496)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2019

	Note	2019 $'000	2018 $'000
Cash flow from financing activities			
Proceeds from loan and borrowings, net of transactions costs		**518,469**	658,030
Repayment of loan and borrowings		**(144,138)**	(411,956)
Restricted bank deposits	9	**(71,378)**	-
Capital contribution from non-controlling interest		**-**	584,356
Dividend paid to equity holder of the Company		**(305,552)**	(283,183)
Government grant received		**70,028**	-
Net cash used in financing activities		**67,429**	547,247
Net decrease in cash and cash equivalents		**(361,415)**	(629,613)
Cash and cash equivalents at beginning of financial year	9	**2,064,924**	2,693,847
Effects of currency translation on cash and cash equivalents		**(12,042)**	690
Cash and cash equivalents at end of financial year	9	**1,691,467**	2,064,924

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Changi Airport Group (Singapore) Pte. Ltd. (the "Company") is incorporated in the Republic of Singapore. The address of its registered office is 60 Airport Boulevard #046-037, Changi Airport Terminal 2, Singapore 819643.

The principal activities of the Company are to own, develop, operate, manage and provide airport and airport-related facilities and services.

The principal activities of its subsidiaries, associated companies and joint ventures are disclosed in Note 29.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

Interpretations and amendments to published standards effective in 2018

On 1 April 2018, the Group adopted the new or amended FRS that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

The adoption of these new or amended FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating revenue transactions within the Group.

The Group recognises revenue when it transfers control over a good or service to a customer.

2. **Significant accounting policies** (continued)

2.2 Revenue (continued)

(a) Airport service fees

Airport service fees comprise landing, parking, and aerobridge fees, and passenger service and security fees. Revenue is recognised in the accounting period in which the related airport services have been rendered.

(b) Airport concessions and rental income

Airport concessions relate to rental income from retail tenants and are computed based on the higher of percentage of sales or specified minimum guaranteed sums. The rental income derived from rental of property is recognised on a straight-line basis over the period of the lease.

2.3 Government grants

Government grants that compensate the Group for expenses incurred are recognised in profit and loss as other income on a systematic basis in the same periods in which the expenses are recognised.

Other government grants related to assets are recognised initially as deferred income at fair value when there is reasonable assurance that the grants will be received and the Group will comply with the conditions associated with the Grant.

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred.

2. **Significant accounting policies** (continued)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(i) *Consolidation* (continued)

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of subsidiaries' net results of operations and its net assets which is attributable to the interests that are not owned directly or indirectly by the equity holder of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in the subsidiaries, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

2. **Significant accounting policies** (continued)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) *Acquisitions* (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as a bargain purchase in profit or loss on the acquisition date.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.9 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holder of the Company.

2. **Significant accounting policies** (continued)

2.4 Group accounting (continued)

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, liabilities incurred or assumed at the date of exchange and equity instruments issued, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses in the income statement, and its share of movements in other comprehensive income in the statement of comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments.

When the Group's share of losses in an associated company or joint venture is equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(ii) Equity method of accounting (continued)

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures.

Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value and any proceeds on partial disposal is recognised in profit or loss.

Please refer to Note 2.9 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.5 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.8 on borrowing costs).

2. Significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(b) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when 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. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(c) Depreciation

Self-constructed property, plant and equipment are capitalised initially as work-in-progress and transferred to the relevant asset category when they are ready for use. No depreciation is recognised on work-in-progress.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives as follows:

	Useful lives
Runways, taxiways and others	30 years
Buildings	5 to 30 years
Plant and equipment	2 to 15 years
Vehicles and vessels	5 to 10 years
Equipment, furniture and fittings	1 to 10 years
Capital improvements	5 to 15 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2. Significant accounting policies (continued)

2.6 Intangible assets

(a) Capitalised costs

Intangibles are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 12 years.

(b) Infrastructure

Under the concession agreement that a subsidiary of the Company has with the Brazilian national agency of civil aviation, Agência Nacional de Aviação Civil ("ANAC" or "Concession Authority"), the subsidiary, as the operator, is required to build or improve the infrastructure used to provide the public service. Such infrastructure acquired during the concession period is to be returned to the Concession Authority at the end of the concession period in consideration for the rights to charge users for the service provided as operator. The infrastructure is amortised based on economic benefit consumption curve (passenger demand curve) expected over the term of the concession of the airport. Details of the concession arrangement can be found in Note 14.

(c) Computer software

Acquired computer software licenses are amortised using the straight-line method over their estimated useful lives.

(d) Concession right

Concession right pertains to the right that a subsidiary of the Company has to expand, maintain and operate Antonio Carlos Jobim International ("Galeão") Airport in Rio de Janeiro, Brazil. The concession right is recognised at present value calculated using a discount rate of 12.6% which is equivalent to the market rate with interest that is comparable with the nature, term and risks related to the concession charges. The concession right is amortised based on the economic benefit consumption curve (passenger demand curve) expected over the term of the concession, limited to the maximum capacity of each investment phase.

2. Significant accounting policies (continued)

2.6 Intangible assets (continued)

(d) Concession right (continued)

Investment phases originate from triggers tied to the passenger demand curve for the purpose of maintaining the level of service required by the Concession Authority.

The finance charges arising from the adjustment of the concession are capitalised according to the changes of the investment phases until termination.

2.7 Investment property under development

Investment property under development is a property being constructed or developed for future use as an investment property. It is held for long-term rental yields and/or capital appreciation and is not occupied substantially by the Group.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for costs that are directly attributable to the construction or development of investment property under development or property, plant and equipment ("properties"). This includes costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

2.9 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses on the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investment are recognised in profit or loss.

2. **Significant accounting policies** (continued)

2.10 Impairment of non-financial assets

Property, plant and equipment
Intangible assets
Investment property under development
Investments in subsidiaries, associated companies and joint ventures

Property, plant and equipment, intangible assets, investment property under development and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2. Significant accounting policies (continued)

2.11 Financial assets

The accounting for financial assets from 1 April 2018 are as follows:

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL")

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets which are debt instruments are reclassified when, and only when, the Group changes its business model for managing them.

At initial recognition

Financial assets are initially recognised at fair value plus transaction costs, except for financial assets at FVPL which are recognised at fair value. Transaction costs of financial assets at FVPL are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments comprise mainly cash and cash equivalents, trade and other receivables, and listed debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

2. **Significant accounting policies** (continued)

2.11 Financial assets (continued)

The accounting for financial assets from 1 April 2018 are as follows (continued):

(a) Classification and measurement (continued)

At subsequent measurement (continued)

(i) Debt instruments (continued)

- *Debt instruments at amortised cost*

  Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

- *Debt instruments at FVOCI*

  Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income ("OCI") and accumulated in reserves, except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is recognised using the effective interest rate method.

- *Debt instruments at FVPL*

  Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movements in fair values and interest income are recognised in profit or loss in the period in which they arise.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

The accounting for financial assets from 1 April 2018 are as follows (continued):

(a) Classification and measurement (continued)

At subsequent measurement (continued)

(ii) Equity instruments

Equity instruments comprise investments in unquoted instruments held by the Group and Company.

Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise, except for certain equity instruments which are not held for trading, where the Group may irrevocably elect to present fair value changes in other comprehensive income. This election is made on an investment-by-investment basis.

Dividends from these investments are recognised in profit and loss in the period in which the dividend arises.

(b) Impairment

The Group assesses expected credit losses ("ECLs") associated with its financial assets at amortised cost and FVOCI on a forward-looking basis.

For trade receivables, the Group applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group applies the general approach of 12-month expected credit losses at initial recognition for all other financial assets.

(c) Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

The accounting for financial assets from 1 April 2018 are as follows (continued):

(c) Recognition and derecognition (continued)

On disposal of an equity investment, the difference between the carrying amount and the sale proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and the sale proceeds would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

The accounting for financial assets before 1 April 2018 are as follows:

(a) Classification and measurement

The Group classifies its financial assets in the following categories: loans and receivables, held-to-maturity financial assets and financial assets at fair value through profit or loss.

The classification depends on the purpose for which the assets were acquired. Management determines that the classification of its financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each balance sheet date.

At initial recognition

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

At subsequent measurement

Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

2. **Significant accounting policies** (continued)

2.11 Financial assets (continued)

The accounting for financial assets before 1 April 2018 are as follows (continued):

(b) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

(c) Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in the other comprehensive income relating to the asset is reclassified to profit or loss.

2.12 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost, using the effective interest method.

Borrowings are presented as current liabilities unless there is an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in a normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2. **Significant accounting policies** (continued)

2.14 Concession payable

Concession payable represents the obligations that a subsidiary of the Company has to the Concession Authority for the right to operate Galeão Airport that is initially recorded at fair value and subsequently at amortised cost using effective interest rate. The amounts that are payable within 12 months from the balance sheet date are classified as current liabilities. The amounts that are payable more than 12 months from balance sheet date are classified as non-current liabilities.

2.15 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as a cash flow hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in cash flows of the hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 22. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Cash flow hedge

(i) Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to limit its interest rate exposure to the fixed rates as specified in these contracts.

2. Significant accounting policies (continued)

2.15 Derivative financial instruments and hedging activities (continued)

Cash flow hedge (continued)

(i) Interest rate swaps (continued)

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve, and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in the profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

(ii) Foreign exchange ("FX") commodity swap

The Group has entered into a FX commodity swap to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and commodity prices.

The fair value changes on the effective portion of the FX commodity swap designated as cash flow hedges are recognised in other comprehensive income. The fair value changes on the ineffective portion of the FX commodity swap are recognised immediately in profit or loss.

When a forecast transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

2.16 Fair value estimation of financial instruments

The fair values of financial instruments traded in active markets (such as exchange-traded, over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

2. Significant accounting policies (continued)

2.16 Fair value estimation of financial instruments (continued)

The fair values of the swaps and option are based on valuation provided by reputable financial institutions. The fair values of interest rate swaps are calculated as the present value of estimated future cash flows discounted at actively quoted interest rates. The fair value of the FX commodity swap is calculated as the present value of estimated cash flows for the fixed and floating legs based on commodity prices and daily average foreign exchange rates. The fair value of the commodity option is derived from the underlying price, strike price and days until expiration.

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

2.17 Leases

(a) When the Group is the lessor:

Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

Deferred income relates to total lease payments received in advance from lessees who have entered into long term operating leases with the Group. The deferred income is recognised in profit or loss on a straight-line basis over the lease term.

(b) When the Group is the lessee:

Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as expenses in profit or loss when incurred.

2. **Significant accounting policies** (continued)

2.18 Inventories

Inventories comprise mainly stock items used for maintenance and repair purposes. These are carried at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes all costs in bringing each stock item to its present location and condition.

2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. Significant accounting policies (continued)

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.21 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans are plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.22 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("SGD"), which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on these items are included in the currency translation reserve.

2. Significant accounting policies (continued)

2.22 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value, net of bank deposits pledged for banking facilities.

2.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.25 Dividends to Company's shareholder

Dividends to the Company's shareholder are recognised when the dividends are approved for payment.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Deferred income tax assets

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred income tax asset has been recognised.

(ii) Capitalisation and amortisation of intangibles – concession right

Estimation is exercised in determining the capitalised finance costs and the amortisation of the intangible asset - concession right, subsequent to initial recognition. The concession right is amortised based on installed capacity and the projection of the passenger demand curve, limited to the concession term. The curve reflects the pattern of use of future economic benefits which is subjected to a significant level of estimation. The Group's disclosure on the above is further set out in Note 13 of the financial statements.

(iii) Claims

In the prior year, a subsidiary of the Company provided a performance guarantee to a non-related party. The Group has assessed that there is a probability that a claim may be made against this guarantee. In assessing the relevant liability, management has considered the likelihood and legal environment, and concluded that the amounts recognised in respect of this claim is adequate as at 31 March 2019.

4. Revenue

	2019 **$'000**	2018 $'000
Airport service fees	**1,204,950**	1,022,571
Airport concessions and rental income	**1,463,703**	1,297,569
Others	**371,262**	281,689
	3,039,915	2,601,829

The variable rent, computed based on percentage of sales, recognised within the Airport concessions and rental income amounted to $86,259,000 (2018: $78,438,000).

Airport service fees are recognised at a point in time when the services have been rendered. Airport concessions and rental income are recognised over time.

Included in other revenue are franchise fees, utility charges, carpark revenue, sale of goods and other sundry income.

5. Employee compensation

	2019 **$'000**	2018 $'000
Wages and salaries	**260,628**	210,646
Others	**47,346**	45,947
	307,974	256,593

6. Finance expenses

	2019 **$'000**	2018 $'000
Interest expense	**53,972**	12,078
Finance expense – concession payable	**158,608**	45,446
	212,580	57,524

7. Other income and losses – net

	2019 $'000	2018 $'000
Interest income		
- Bank deposits	**42,402**	42,335
- Financial assets at amortised cost / held-to-maturity financial assets	**56**	1,307
- Convertible loan	**-**	3,578
Gain/(loss) on exchange differences	**1,636**	(21,477)
Gain on dilution of interest in an associated company	**29,782**	-
Impairment of investment in associated companies	**(9,600)**	(14,388)
Gain on previously held interest in an associated company	**-**	36,596
Bargain purchase on acquisition of a subsidiary	**-**	61,192
Others	**30,046**	7,350
	94,322	116,493

In 2018, the gain on previously held interest in an associated company included an amount of $27,400,000 due to the reversal of impairment of investment in an associated company.

8. Income taxes

Income tax expense

	2019 $'000	2018 $'000
Tax expense attributable to profit is made up of:		
- Current income tax		
- Singapore	**152,084**	159,669
- Foreign	**3,440**	2,531
	155,524	162,200
- Deferred income tax (Note 18)	**114,184**	20,814
	269,708	183,014
Under/(over) provision in prior financial years		
- Current income tax		
- Singapore	**(20,498)**	(11,724)
- Foreign	**(53)**	(57)
- Deferred income tax (Note 18)	**(8,791)**	2,625
	240,366	173,858

8. Income taxes (continued)

Income tax expense (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2019 **$'000**	2018 $'000
Profit before tax	**814,055**	1,008,759
Less: Share of results of associated companies and joint ventures	**(12,408)**	3,081
Profit before tax and share of results of associated companies and joint ventures	**801,647**	1,011,840
Tax calculated at tax rate of 17% (2018: 17%)	**136,280**	172,013
Effects of:		
- expenses not deductible for tax purposes	**37,295**	38,146
- income not subject to tax	**(6,522)**	(24,456)
- tax incentives	**(990)**	(1,069)
- deferred tax asset not recognised	**135,702**	649
- utilisation of previously unrecognised tax losses	**(173)**	-
- tax in foreign jurisdiction	**(31,884)**	(2,269)
Tax charge	**269,708**	183,014

9. Cash and cash equivalents

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**211,275**	63,585	**43,929**	23,005
Bank deposits	**1,551,570**	2,001,339	**1,544,900**	1,717,600
	1,762,845	2,064,924	**1,588,829**	1,740,605

Included in bank deposits is a deposit amounting to $71,378,000 (2018: $nil) that is not readily available for use by the Group due to a restriction imposed under a bank loan agreement entered into by a subsidiary of the Company.

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2019	2018
	$'000	$'000
Cash and cash equivalents (as above)	**1,762,845**	2,064,924
Less: Restricted bank deposits	**(71,378)**	-
Cash and cash equivalents per consolidated statement of cash flows	**1,691,467**	2,064,924

10. Trade and other receivables

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Current				
Trade and other receivables	**155,020**	188,552	**83,841**	116,304
Less: Impairment	**(4,993)**	(2,965)	**-**	-
Trade and other receivables - net	**150,027**	185,587	**83,841**	116,304
Accrued income	**147,451**	135,546	**123,413**	125,550
	297,478	321,133	**207,254**	241,854
Non-current				
Loans to subsidiaries	**-**	-	**1,322,488**	1,130,375

The loans to subsidiaries are unsecured, denominated in Singapore Dollars and not repayable within the next twelve months. The interest income (if any) is determined using the effective interest rate method.

11. Other current assets

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Prepayments and deposits	**12,761**	12,480	**3,795**	3,085
Interest receivable	**17,221**	21,715	**17,221**	21,698
Others	**1,356**	3,188	**-**	12
	31,338	37,383	**21,016**	24,795

12. Property, plant and equipment

	Runways, taxiways and others $'000	Buildings $'000	Plant and equipment $'000	Vehicles and vessels $'000	Office / other equipment, furniture and fittings $'000	Capital improve-ments $'000	Work-in-progress $'000	Total $'000
Group								
As at 31 March 2019								
Cost								
Beginning of financial year	597,459	1,794,702	2,416,202	48,640	192,238	971,807	1,890,655	7,911,703
Currency translation differences	-	-	1	(10)	(190)	-	-	(199)
Additions	-	-	1,561	54	1,314	806	1,145,197	1,148,932
Transfer from work-in-progress	161,712	192,625	514,169	8,260	44,133	163,453	(1,084,352)	-
Reclassification	-	(396)	(989)	-	346	1,039	-	-
Disposals	-	(1,052)	(29,853)	(6,025)	(6,345)	(201)	-	(43,476)
End of financial year	759,171	1,985,879	2,901,091	50,919	231,496	1,136,904	1,951,500	9,016,960
Accumulated depreciation								
Beginning of financial year	180,226	373,952	1,049,103	29,776	112,024	556,273	-	2,301,354
Currency translation differences	-	-	-	(3)	(27)	-	-	(30)
Depreciation charge	28,732	68,812	258,485	4,411	44,210	97,946	-	502,596
Reclassification	(2)	(38)	(466)	-	702	(196)	-	-
Disposals	-	(604)	(28,115)	(6,019)	(6,050)	(178)	-	(40,966)
End of financial year	208,956	442,122	1,279,007	28,165	150,859	653,845	-	2,762,954
Net book value								
End of financial year	**550,215**	**1,543,757**	**1,622,084**	**22,754**	**80,637**	**483,059**	**1,951,500**	**6,254,006**

	Runways, taxiways and others $'000	Buildings $'000	Plant and equipment $'000	Vehicles and vessels $'000	Office / other equipment, furniture and fittings $'000	Capital improve-ments $'000	Work-in-progress $'000	Total $'000
Group								
As at 31 March 2018								
Cost								
Beginning of financial year	534,016	944,921	1,541,547	43,824	118,516	917,197	2,973,190	7,073,211
Acquisition of a subsidiary (Note 14)	-	-	-	64	1,273	-	-	1,337
Currency translation differences	-	-	1	(1)	(20)	3	-	(17)
Additions	-	-	715	-	1,431	462	854,410	857,018
Transfer from work-in-progress	63,612	850,556	882,749	4,478	75,500	60,050	(1,936,945)	-
Reclassification	-	(12)	(353)	349	37	(21)	-	-
Disposals	(169)	(763)	(8,457)	(74)	(4,499)	(5,884)	-	(19,846)
End of financial year	597,459	1,794,702	2,416,202	48,640	192,238	971,807	1,890,655	7,911,703
Accumulated depreciation								
Beginning of financial year	154,279	322,276	900,516	25,924	95,558	477,276	-	1,975,829
Currency translation differences	-	-	1	-	-	2	-	3
Depreciation charge	25,988	51,928	156,569	3,854	20,934	84,743	-	344,016
Reclassification	-	-	(73)	72	2	(1)	-	-
Disposals	(41)	(252)	(7,910)	(74)	(4,470)	(5,747)	-	(18,494)
End of financial year	180,226	373,952	1,049,103	29,776	112,024	556,273	-	2,301,354
Net book value								
End of financial year	417,233	1,420,750	1,367,099	18,864	80,214	415,534	1,890,655	5,610,349

12. Property, plant and equipment (continued)

	Runways, taxiways and others $'000	Buildings $'000	Plant and equipment $'000	Vehicles and vessels $'000	Office / other equipment, furniture and fittings $'000	Capital improve-ments $'000	Work-in-progress $'000	Total $'000
Company								
As at 31 March 2019								
Cost								
Beginning of financial year	597,459	1,790,779	2,406,275	48,582	185,145	968,916	1,861,004	7,858,160
Additions	-	-	-	-	-	-	1,120,005	1,120,005
Transfer from work-in-progress	161,712	192,625	514,169	8,260	44,133	163,453	(1,084,352)	-
Reclassification	-	(396)	350	-	-	46	-	-
Disposals	-	(1,052)	(29,679)	(6,021)	(4,966)	(189)	-	(41,907)
End of financial year	759,171	1,981,956	2,891,115	50,821	224,312	1,132,226	1,896,657	8,936,258
Accumulated depreciation								
Beginning of financial year	180,226	372,007	1,044,717	29,770	108,879	553,963	-	2,289,562
Depreciation charge	28,732	67,733	255,965	4,366	41,985	96,942	-	495,723
Reclassification	(2)	(38)	(225)	-	(2)	267	-	-
Disposals	-	(604)	(28,096)	(6,019)	(4,966)	(175)	-	(39,860)
End of financial year	208,956	439,098	1,272,361	28,117	145,896	650,997	-	2,745,425
Net book value								
End of financial year	**550,215**	**1,542,858**	**1,618,754**	**22,704**	**78,416**	**481,229**	**1,896,657**	**6,190,833**

	Runways, taxiways and others $'000	Buildings $'000	Plant and equipment $'000	Vehicles and vessels $'000	Office / other equipment, furniture and fittings $'000	Capital improve-ments $'000	Work-in-progress $'000	Total $'000
Company								
As at 31 March 2018								
Cost								
Beginning of financial year	534,016	941,056	1,532,107	43,829	111,508	914,480	2,952,039	7,029,035
Additions	-	-	-	-	-	-	845,852	845,852
Transfer from work-in-progress	63,612	850,498	882,749	4,478	75,500	60,050	(1,936,887)	-
Reclassification	-	(12)	(348)	349	37	(26)	-	-
Disposals	(169)	(763)	(8,233)	(74)	(1,900)	(5,588)	-	(16,727)
End of financial year	597,459	1,790,779	2,406,275	48,582	185,145	968,916	1,861,004	7,858,160
Accumulated depreciation								
Beginning of financial year	154,279	321,398	898,267	25,929	91,432	476,188	-	1,967,493
Depreciation charge	25,988	50,861	154,304	3,843	19,336	83,338	-	337,670
Reclassification	-	-	(72)	72	2	(2)	-	-
Disposals	(41)	(252)	(7,782)	(74)	(1,891)	(5,561)	-	(15,601)
End of financial year	180,226	372,007	1,044,717	29,770	108,879	553,963	-	2,289,562
Net book value								
End of financial year	417,233	1,418,772	1,361,558	18,812	76,266	414,953	1,861,004	5,568,598

13. Intangible assets

	Group 2019 $'000	Group 2018 $'000
Composition:		
(a) Capitalised costs	**5,266**	5,773
(b) Infrastructure	**806,319**	913,137
(c) Computer software	**5,799**	6,932
(d) Concession right	**3,801,751**	4,111,874
Total net book value	**4,619,135**	5,037,716

Movements

(a) Capitalised costs

	2019 $'000	2018 $'000
Cost		
Beginning of financial year	**6,090**	-
Additions	**-**	6,090
End of financial year	**6,090**	6,090
Accumulated amortisation		
Beginning of financial year	**317**	-
Amortisation charge	**507**	317
End of financial year	**824**	317
Net book value	**5,266**	5,773

(b) Infrastructure

	2019 $'000	2018 $'000
Cost		
Beginning of financial year	**917,820**	-
Acquisition of a subsidiary (Note 14)	**-**	925,743
Additions	**37,919**	7,032
Currency translation differences	**(129,165)**	(14,955)
End of financial year	**826,574**	917,820
Accumulated amortisation		
Beginning of financial year	**4,683**	-
Amortisation charge	**17,017**	4,683
Currency translation differences	**(1,445)**	-
End of financial year	**20,255**	4,683
Net book value	**806,319**	913,137

13. Intangible assets (continued)

Movements (continued)	Group 2019 $'000	2018 $'000
(c) Computer software		
Cost		
Beginning of financial year	**7,027**	-
Acquisition of a subsidiary (Note 14)	**-**	7,053
Additions	**710**	92
Currency translation differences	**(1,521)**	(118)
End of financial year	**6,216**	7,027
Accumulated amortisation		
Beginning of financial year	**95**	-
Amortisation charge	**330**	95
Currency translation differences	**(8)**	-
End of financial year	**417**	95
Net book value	**5,799**	6,932
(d) Concession right		
Cost		
Beginning of financial year	**4,120,071**	-
Acquisition of a subsidiary (Note 14)	**-**	4,130,208
Capitalised charges (Note 20)	**254,324**	61,897
Currency translation differences	**(541,598)**	(72,034)
End of financial year	**3,832,797**	4,120,071
Accumulated amortisation		
Beginning of financial year	**8,197**	-
Amortisation charge	**25,618**	8,197
Currency translation differences	**(2,769)**	-
End of financial year	**31,046**	8,197
Net book value	**3,801,751**	4,111,874

Infrastructure pertains to costs of assets used in the infrastructure of the concession that would be returned to the Concession Authority upon expiration of the concession right.

Concession right represents the right that a subsidiary of the Company has to charge the users of public services by means of fees for a period of time as set out in the concession agreement with the Concession Authority. The concession right was pledged against the bank borrowings (Note 21).

14. Investments in subsidiaries

	Company	
	2019	2018
	$'000	$'000
Unquoted equity shares, at cost		
Beginning of financial year	**257,967**	257,965
Additions	**5,800**	2
End of financial year	**263,767**	257,967

Details of significant subsidiaries are included in Note 29.

(a) Conversion of debt into equity

On 22 May 2018, the Company converted $5,800,000 of its outstanding loans extended to Changi Travel Services Pte. Ltd. into 5,800,000 of its ordinary shares.

(b) Acquisition of a subsidiary

There were no acquisitions of subsidiaries for the financial year ended 31 March 2019.

On 14 December 2017, the Group increased its equity interest in its associated company, Rio de Janeiro Aeroporto S.A. ("RJA") from 40% to 100%. RJA owns a 51% stake in Concessionária Aeroporto Rio de Janeiro S.A. ("CARJ"), a company which had signed a concession agreement with the Brazilian Concession Authority, allowing it to expand, maintain and operate the Galeão Airport in Rio de Janeiro, Brazil, for a period of 25 years from 2 April 2014.

As a result of this equity increase, the Group obtained control of RJA and CARJ. Consequently, the Group derecognised RJA group as an equity accounted investee and consolidated RJA group as a subsidiary.

14. Investments in subsidiaries (continued)

(b) Acquisition of a subsidiary (continued)

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group at the acquisition date, were as follows:

(i) Purchase consideration and identifiable assets acquired and liabilities assumed

	2018 Fair value $'000
Cash and cash equivalents	114,823
Trade and other receivables (net of impairment)	82,978
Inventories	2,677
Property, plant and equipment	1,337
Intangible assets – infrastructure	925,743
Intangible assets – computer software	7,053
Intangible assets – concession right	4,130,208
Tax recoverable	45,534
Deferred income tax assets	268,622
Total assets	5,578,975
Trade and other payables	(142,003)
Convertible loan payable	(176,025)
Borrowings	(405,634)
Concession payable	(4,477,368)
Current income tax liabilities	(3,372)
Total liabilities	(5,204,402)
Total identifiable net assets	**374,573**
Less: Non-controlling interest at fair value	(273,152)
Less: Previously held interest at fair value	(40,229)
Less: Bargain purchase (Note 7)	(61,192)
Purchase consideration paid	-

(ii) Effect on cash flows of the Group

	2018 $'000
Cash paid (as above)	-
Less: Cash and cash equivalents in subsidiary acquired	114,823
Cash inflow on acquisition	**114,823**

14. Investments in subsidiaries (continued)

(b) Acquisition of a subsidiary (continued)

(iii) Acquired receivables

As at the date of acquisition, the fair value of trade and other receivables was $82,978,000 and included trade receivables with a fair value of $61,468,000, net of impairment allowances of $1,874,000.

(iv) Fair values

The fair values of the acquired identifiable intangible assets and plant and equipment of $5,064,341,000 was determined based on an external independent valuation. The fair value estimates were based on:

- discount rates ranging from 12.7% to 13.6% per annum;
- cumulative growth in traffic of 7% over the forecast period; and
- EBITDA margin ranging from 44% to 67% over the next ten years, with an average EBITDA margin growth of 3% per year.

(v) Bargain purchase

The bargain purchase of $61,192,000 was attributable to the additional 60% stake that was acquired at zero consideration. The bargain purchase gain of the previously held interest is disclosed in "Other income and losses - net" (Note 7).

(vi) Revenue and net loss contribution

The acquisition contributed revenue of $98,192,000 and net loss of $15,187,000 to the Group for the period from 14 December 2017 to 31 March 2018. Had RJA group been consolidated from 1 April 2017, the Group consolidated revenue and consolidated net profit for the financial year ended 31 March 2018 would have been $2,892,753,000 and $719,041,000 respectively.

14. Investments in subsidiaries (continued)

(c) Summarised financial information of subsidiary with material non-controlling interest

Set out below are the summarised financial information of a subsidiary with material non-controlling interest to the Group. These are presented before inter-company eliminations.

Summarised balance sheet

	2019 $'000	2018 $'000
Current assets	**210,953**	378,178
Non-current assets	**4,783,961**	5,307,165
Current liabilities	**(130,900)**	(537,190)
Non-current liabilities	**(3,534,613)**	(3,418,826)
Net assets	**1,329,401**	1,729,327

Summarised income statement

	2019 $'000	14 December 2017 to 31 March 2018 $'000
Revenue	**337,800**	98,192
Loss before income tax	**(113,200)**	(25,586)
Income tax (expense)/credit	**(81,604)**	10,399
Loss before tax	**(194,804)**	(15,187)
Other comprehensive loss	**(228,280)**	-
Total comprehensive loss	**(423,084)**	(15,187)

Summarised cash flows

	2019 $'000	14 December 2017 to 31 March 2018 $'000
Cash flows from operating activities		
Cash generated from operations	**141,216**	50,778
Interest paid	**(42,232)**	(8,166)
Net cash from operating activities	**98,984**	42,612
Net cash used in financing activities	**202,808**	(6,731)
Net cash from investing activities	**(408,899)**	122,812
Net increase in cash balance	**(107,107)**	158,693
Cash balance as at beginning of the financial year / period	**273,516**	114,823
Effects of currency translation on cash and cash equivalents	**(30,749)**	-
Cash balance as at end of the financial year / period	**135,660**	273,516

15. Investments in associated companies and joint ventures

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**266,648**	282,739	**11,947**	10,652
Capital injection	**90,997**	1,295	**-**	1,295
Share of results	**12,408**	(3,081)	**-**	-
Dividends received / return of capital	**(7,040)**	(7,581)	**-**	-
Dilution gain	**29,782**	-	**-**	-
Share of other comprehensive income	**(13,472)**	11,873	**-**	-
Currency translation differences	**(24,043)**	(31,609)	**-**	-
	355,280	253,636	**11,947**	11,947
Write-back of impairment arising on step-up of investment in associated company	**-**	27,400	**-**	-
Less: Impairment allowance	**(9,600)**	(14,388)	**-**	-
End of financial year	**345,680**	266,648	**11,947**	11,947

The Group's share of capital commitments of its investments amounted to $1,400,000 (2018: $6,840,000).

Significant associated companies and joint ventures

(i) Bengal Aerotropolis Projects Limited ("BAPL")

The Group has a 30.2% (2018: 30.2%) equity stake in BAPL, a company incorporated in India.

BAPL's principal business is to develop an airport and surrounding township in Durgapur, West Bengal, India.

In 2019, BAPL registered a net loss and business conditions are expected to remain challenging in the near term. Accordingly, the investment in BAPL was written down by $9,600,000 (2018: Nil) to the recoverable amount determined based on value-in-use for the airport and fair value less cost to sell for the township land.

15. Investments in associated companies and joint ventures (continued)

Significant associated companies and joint ventures (continued)

(ii) Transport AMD-2 Limited ("TAMD-2")

The Group has a 30% (2018: 37.5%) equity interest in TAMD-2, a company incorporated in the Republic of Cyprus.

TAMD-2 holds investments in a group of companies whose principal activities are to provide airport and airport-related services in the cities of Krasnodar, Sochi and Anapa, in the Russian Federation.

In 2019, the Group's interest in TAMD-2 was diluted from 37.5% to 30% due to a conversion of preference shares into equity shares in TAMD-2 by the preference shareholder.

(iii) Terminal Vladivostok and Vladivostok International Airport ("VVO")

The Group has a 33.3% (2018: 33.3%) interest in Terminal Vladivostok ("TV") and a 17.4% interest in Vladivostok International Airport ("IAV"), whose principal activities are to provide airport and airport-related services in the city of Vladivostok, in the Russian Federation.

The shares of TV and IAV were pledged as a collateral for the loans taken by TV and IAV.

(iv) Fukuoka International Airport Co., Ltd. ("FUK")

The Group acquired 21% (2018: Nil) interest in FUK. The principal activities are to provide airport and airport-related services in the city of Fukuoka, Japan.

(v) Deemed disposal of Rio de Janeiro Aeroporto S.A. ("RJA")

On 14 December 2017, the Group increased its shareholding in RJA, thereby stepping up its holding in CARJ from 20.4% to 51%.

The Group accounted for the step-up by first deeming a disposal of its previously held interests which was accounted for as an investment in associated company before the step-up, followed by the consolidation of RJA group as a subsidiary given the change from significant influence to a controlling stake. Details of the step-up acquisition are set out in Note 14.

Further details of significant associated companies and joint ventures are provided in Note 29.

16. Investment property under development

	Group	
	2019	2018
	$'000	$'000
Cost		
Beginning of financial year	**1,117,766**	792,708
Additions	**374,509**	325,058
End of financial year	**1,492,275**	1,117,766
Net book value		
End of financial year	**1,492,275**	1,117,766

As at 31 March 2019, the interest and transaction costs capitalised as cost of investment property under development amounted to $69,880,000 (2018: $43,742,000), with effective interest rates ranging from 1.50% to 3.12% (2018: 1.50% to 3.12%) per annum.

Additions during the year comprise substantially of construction costs. As at 31 March 2019, the fair value of the investment property under development is $1,600,000,000 (2018: $1,145,680,000). The fair value of the investment property under development was obtained based on a valuation performed by an independent professional valuer.

In determining the fair value as at 31 March 2019, the valuer adopted the Direct Capitalisation Method and Discounted Cash Flow approach to derive the gross development value of the property. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. The fair value is derived from the average of values from both methods.

Further details of the fair value measurement hierarchy of the investment property under development are provided in Note 26(e).

17. Other investments

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Current				
Held-to-maturity financial assets				
- Bonds with fixed interest	**-**	2,775	**-**	2,775
Financial assets at fair value through profit or loss				
- Unquoted instruments	**102,677**	99,806	**102,677**	99,806
	102,677	102,581	**102,677**	102,581
Non-current				
Financial asset at amortised cost / held-to-maturity financial asset				
- Bond with fixed interest	**1,032**	1,056	**1,032**	1,056
Financial assets at fair value through profit or loss				
- Unquoted instruments	**6,625**	6,733	**6,625**	6,733
Financial asset at fair value through OCI				
- Unquoted instrument	**252**	-	**-**	-
	7,909	7,789	**7,657**	7,789

The interest rate for the non-current bond is 4.30% (2018: 2.92% to 4.30%) per annum. The fair value of the bond as at 31 March 2019 approximate its carrying value.

18. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Deferred income tax assets				
- to be recovered within one year	**-**	(14)	**-**	-
- to be recovered after one year	**(163,755)**	(276,116)	**-**	-
	(163,755)	(276,130)	**-**	-
Deferred income tax liabilities				
- to be settled within one year	**-**	274	**-**	-
- to be settled after one year	**99,201**	72,218	**98,762**	72,218
	99,201	72,492	**98,762**	72,218

Movement in net deferred income tax (assets)/liabilities is as follows:

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**(203,638)**	36,506	**72,218**	36,412
Acquisition of a subsidiary (Note 14)	**-**	(268,622)	**-**	-
(Over)/under-provision in prior years	**(8,791)**	2,625	**(8,954)**	2,726
Tax charged to profit or loss	**114,184**	20,814	**34,415**	33,080
Tax charged to other comprehensive income	**1,083**	-	**1,083**	-
Currency translation differences	**32,608**	5,039	**-**	-
End of financial year	**(64,554)**	(203,638)	**98,762**	72,218

18. Deferred income taxes (continued)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $405,131,000 (2018: $1,711,000) arising from the subsidiaries of the Group at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies in their respective countries of incorporation.

The movement in deferred income tax assets and liabilities prior to offsetting of balances within the same jurisdiction during the financial year is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation	Amortisation of intangibles	Others	Total
	$'000	$'000	$'000	$'000
As at 31 March 2019				
Beginning of financial year	82,864	144,851	4,993	232,708
Charged/(credited) to profit or loss	28,904	81,604	(2,932)	107,576
Charged to other comprehensive income	-	-	1,083	1,083
Currency translation differences	-	(21,557)	-	(21,557)
End of financial year	**111,768**	**204,898**	**3,144**	**319,810**
As at 31 March 2018				
Beginning of financial year	48,037	-	2,838	50,875
Acquisition of a subsidiary	-	138,270	-	138,270
Charged to profit or loss	34,827	9,203	2,155	46,185
Currency translation differences	-	(2,622)	-	(2,622)
End of financial year	82,864	144,851	4,993	232,708

18. Deferred income taxes (continued)

Group (continued)

Deferred income tax assets

	Tax losses $'000	Unutilised capital allowances $'000	Provisions $'000	Total $'000
As at 31 March 2019				
Beginning of financial year	(420,447)	(547)	(15,352)	(436,346)
Credited to profit or loss	(1,517)	(285)	(381)	(2,183)
Currency translation differences	54,165	-	-	54,165
End of financial year	**(367,799)**	**(832)**	**(15,733)**	**(384,364)**
As at 31 March 2018				
Beginning of financial year	(55)	(261)	(14,053)	(14,369)
Acquisition of a subsidiary	(406,892)	-	-	(406,892)
Credited to profit or loss	(21,161)	(286)	(1,299)	(22,746)
Currency translation differences	7,661	-	-	7,661
End of financial year	(420,447)	(547)	(15,352)	(436,346)

Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Others $'000	Total $'000
As at 31 March 2019			
Beginning of financial year	82,564	5,006	87,570
Charged/(credited) to profit or loss	28,783	(2,946)	25,837
Charged to other comprehensive income	-	1,083	1,083
End of financial year	**111,347**	**3,143**	**114,490**
As at 31 March 2018			
Beginning of financial year	47,476	2,838	50,314
Charged to profit or loss	35,088	2,168	37,256
End of financial year	82,564	5,006	87,570

18. Deferred income taxes (continued)

Company (continued)

Deferred income tax assets

	Provisions $'000
As at 31 March 2019	
Beginning of financial year	(15,352)
Credited to profit or loss	(376)
End of financial year	**(15,728)**
As at 31 March 2018	
Beginning of financial year	(13,902)
Credited to profit or loss	(1,450)
End of financial year	(15,352)

19. Trade and other payables

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Current				
Trade payables	**223,653**	231,092	**187,612**	174,160
Non-trade payables to subsidiaries	**-**	-	**20,069**	1,070
Accrued operating expenses	**268,727**	273,436	**245,430**	249,984
Accrued capital expenditure and development costs	**429,065**	329,188	**257,618**	222,201
Sundry creditors and other accruals	**128,313**	109,176	**70,840**	38,066
Accrued regulatory contribution	**84,921**	-	**84,921**	-
Deposits received	**92,333**	72,103	**63,168**	61,141
	1,227,012	1,014,995	**929,658**	746,622

The non-trade payables to subsidiaries represent funds from subsidiaries managed by the Company on their behalf, and are unsecured and repayable on demand. The interest payable to subsidiaries for the funds managed ranges from 0.60% to 1.60% (2018: 0.60% to 1.13%).

The Company is required to make regulatory contributions in accordance with the Civil Aviation Authority of Singapore ("CAAS") Act.

19. Trade and other payables (continued)

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Non-current				
Accrued capital expenditure and development costs	**42,978**	62,559	**42,978**	62,559
Other non-current liabilities	**102,345**	90,338	**90,237**	82,803
	145,323	152,897	**133,215**	145,362

Included in other non-current liabilities are accruals relating to employee compensation schemes that are deferred and payable over a period of time and other miscellaneous non-current liabilities.

20. Concession payable

	Group	
	2019	2018
	$'000	$'000
Beginning of financial year	**3,494,758**	-
Acquisition of a subsidiary (Note 14)	**-**	4,477,368
Capitalised interest charge (Note 13(d))	**254,324**	61,897
Interest expense	**158,607**	45,446
Accrued variable concession	**3,473**	4,344
Less: Concession payment	**(370,034)**	(1,031,961)
Currency translation differences	**(451,018)**	(62,336)
End of financial year	**3,090,110**	3,494,758

Represented by:

	Group	
	2019	2018
	$'000	$'000
Current portion	**24,453**	425,444
Non-current portion	**3,065,657**	3,069,314
	3,090,110	3,494,758

Concession payable is made up of fixed and variable portions. Fixed concession payable is discounted using an effective interest rate of 12.5%. Variable concession payable corresponds to 5% of gross operating revenue less amount resulting from the application of 26.42% over the revenue arising from the collection of both domestic and international boarding, landing and parking, unified price and parking, storage and handling fees.

21. Loan and borrowings

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Current				
Bank borrowings – secured	**1,009,623**	33,483	-	-
Bank borrowings – unsecured	-	90,000	-	90,000
Other current borrowings	-	10,604	-	-
	1,009,623	134,087	-	90,000
Non-current				
Bank borrowings – secured	**416,190**	1,036,070	-	-
Loan from non-controlling interest	**226,038**	161,749	-	-
	642,228	1,197,819	-	-

Included in total secured bank borrowings for the Group is an amount of $472,368,000 (2018: $313,304,000) which pertained to borrowings by a subsidiary from the National Bank for Economic and Social Development of Brazil ("BNDES") and other Brazilian commercial banks with an effective interest spread of 3.3% (2018: 3.3%) per annum above the Brazilian Long-term Interest Rate (TJLP). The bank borrowings are guaranteed by the Group's shares in RJA and CARJ, and credit rights arising from the concession agreement in Brazil. A corporate guarantee was also issued by another subsidiary of the Company which guarantees 49% of the total financing of the subsidiary and is related only to the portion directly lent by BNDES.

Also included in total secured bank borrowings for the Group is an amount of $953,444,910 (2018: $756,249,000) which are variable rate borrowings and will be contractually repriced between one to three months. These bank borrowings are secured on the assignment of insurances, contractual proceeds and building agreements.

The loan from non-controlling interest is unsecured and interest expense is determined using the effective interest rate method. The loan is subordinated to external borrowings and is not expected to be repaid within the next twelve months from the end of the financial year.

At the balance sheet date, the fair values of the loan from non-controlling interest and bank borrowings approximate their carrying values.

21. Loan and borrowings (continued)

Reconciliation of liabilities arising from financing activities

			Non-cash changes			
	1 April 2018 $'000	Proceeds (net of principal and interest payments) $'000	Other non-cash movements $'000	Foreign exchange movement $'000	Accrued interest $'000	31 March 2019 $'000
Loan and borrowings	1,331,906	332,134	(9,495)	(50,025)	47,331	1,651,851

			Non-cash changes			
	1 April 2017 $'000	Proceeds (net of principal and interest payments) $'000	Acquisition $'000	Foreign exchange movement $'000	Accrued interest $'000	31 March 2018 $'000
Loan and borrowings	684,228	237,943	405,634	(5,463)	9,564	1,331,906

22. Derivative financial instruments

	Group			**Company**		
		Fair value			Fair value	
	Contract notional amount $'000	Asset $'000	Liability $'000	Contract notional amount $'000	Asset $'000	Liability $'000
31 March 2019						
Derivatives held for hedging:						
Cash flow hedge						
- Interest rate swaps	**415,000**	**-**	**(137)**	**-**	**-**	**-**
- FX commodity swap	**36,214**	**6,373**	**-**	**36,214**	**6,373**	**-**
Derivatives not held for hedging:						
- Commodity option	**8,068**	**1,834**	**-**	**8,068**	**1,834**	**-**
		8,207	**(137)**		**8,207**	**-**
Classified as:						
- Current		**8,207**	**(137)**		**8,207**	**-**

22. Derivative financial instruments (continued)

	Group		Company	
		Fair value		Fair value
	Contract notional amount $'000	Liability $'000	Contract notional amount $'000	Liability $'000
31 March 2018				
Derivatives held for hedging:				
Cash flow hedge				
- Interest rate swaps	415,000	(2,674)	-	-
Classified as:				
- Non-current		(2,674)		-

The weighted average hedged rate for FX commodity swap is $450 (2018: $nil) per metric tonne. The weighted average hedged rate for interest rate swaps is 2.0% (2018: 2.0%).

There was no hedge ineffectiveness during the year.

23. Share capital and reserves

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Share capital	**3,280,387**	3,280,387	**3,280,387**	3,280,387
Other reserve (b(i))	**27,861**	22,552	**-**	-
Hedging reserve (b(ii))	**(7,935)**	(1,364)	**5,289**	-
Currency translation reserve (b(iii))	**(257,579)**	(125,972)	**-**	-
Sinking fund reserve (b(iv))	**505,890**	409,547	**505,890**	409,547
	3,548,624	3,585,150	**3,791,566**	3,689,934

(a) Share capital

The Group and Company's share capital comprises 3,280,387,000 (2018: 3,280,387,000) fully paid-up ordinary shares with no par value, amounting to a total of $3,280,387,000 (2018: $3,280,387,000).

23. Share capital and reserves (continued)

(b) Composition of reserves

(i) Other reserve mainly relates to the difference between the consideration paid to CAAS as compared to the carrying amount of net assets transferred from CAAS, as reflected in the financial records of CAAS as at 1 July 2009 and, adjusted by the requirements of Singapore Financial Reporting Standards. The remaining amount pertained to the share of reserve of an associated company.

(ii) The Group used financial derivatives to hedge cash flow risks arising from changes in interest rates, foreign exchange rates and commodity prices. Fair values on the hedging derivatives are recognised in other comprehensive income and accumulated in the hedging reserve.

(iii) The currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of entities in the Group whose functional currencies are different from the presentation currency of these financial statements as well as the Group's share of currency translation differences of its associated company.

(iv) The sinking fund reserve has been set up for the Changi East Development. The total sinking fund contribution during the year amounted to $96,343,000 (2018: $233,596,000) and the cumulative sinking fund contribution amounted to $505,890,000 (2018: 409,547,000) as at financial year end.

The above reserves are non-distributable.

(c) Movements of reserves

(i) Hedging reserve

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**(1,364)**	(2,305)	**-**	-
Fair value gains	**17,871**	1,846	**15,334**	-
Reclassified to profit or loss	**(10,045)**	-	**(10,045)**	-
Share of hedging reserve from an associated company	**(13,154)**	-	**-**	-
Less: Non-controlling interests	**(1,243)**	(905)	**-**	-
End of financial year	**(7,935)**	(1,364)	**5,289**	-

23. Share capital and reserves (continued)

(c) Movements of reserves (continued)

(ii) Currency translation reserve

	Group	
	2019	2018
	$'000	$'000
Beginning of financial year	**(125,972)**	(105,122)
Net currency translation differences of foreign subsidiaries, associated companies and joint ventures	**(237,842)**	(54,164)
Reclassified to profit or loss	**-**	31,033
Share of currency translation (loss)/gain of associated companies and joint ventures	**(5,628)**	2,283
Less: Non-controlling interests	**111,863**	(2)
End of financial year	**(257,579)**	(125,972)

(iii) Sinking fund reserve

	Group and Company	
	2019	2018
	$'000	$'000
Beginning of financial year	**409,547**	175,951
Sinking fund contribution	**96,343**	233,596
End of financial year	**505,890**	409,547

24. Retained profits

Movement in retained profits for the Group and Company are as follows:

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**4,014,786**	3,682,266	**4,056,676**	3,700,449
Net profit	**677,276**	849,299	**776,064**	873,006
Dividend paid (Note 30)	**(305,552)**	(283,183)	**(305,552)**	(283,183)
Sinking fund contribution	**(96,343)**	(233,596)	**(96,343)**	(233,596)
End of financial year	**4,290,167**	4,014,786	**4,430,845**	4,056,676

25. Commitments

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associated companies and joint ventures (Note 15) are as follows:

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Investment property under development	**17,225**	308,583	**-**	-
Property, plant and equipment	**2,119,356**	1,759,050	**2,113,550**	1,756,888

(b) Operating lease commitments – where the Group is a lessee

The Group leases several pieces of land under non-cancellable operating lease agreements from CAAS for the operation of Changi Airport. Annual ground rents for the operating leases that are expiring on 31 March 2042 and 31 March 2070 respectively are fixed at $73,613,000 and $1,944,000 per annum.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Not later than one year	**76,862**	76,973	**75,936**	76,488
Between one and five years	**303,126**	303,457	**302,613**	302,856
Later than five years	**1,415,681**	1,491,245	**1,415,681**	1,491,245
	1,795,669	1,871,675	**1,794,230**	1,870,589

25. Commitments (continued)

(c) Operating lease commitments – where the Group is a lessor

The Group and Company lease out retail and commercial spaces under non-cancellable operating leases.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Not later than one year	**117,912**	25,237	**26,065**	25,237
Between one and five years	**270,221**	41,274	**42,379**	41,274
Later than five years	**385,415**	387,053	**376,110**	387,053
	773,548	453,564	**444,554**	453,564

26. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise the potential adverse effects from these exposures on the Group's financial performance. The Group uses financial instruments such as interest rate swaps and FX commodity swaps to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

(a) Market risk

(i) Currency risk

The Group has dominant operations in Singapore and Brazil. Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the United States Dollar ("USD") and Euro ("EUR").

26. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group also has investments in foreign entities denominated in Russian Roubles ("RUB"), Indian Rupees ("INR") and Japanese Yen ("JPY").

If the USD and EUR had strengthened / weakened by 5% (2018: 5%) against the respective functional currencies of the Group with all other variables including tax rate being held constant, the effects on the net profit after income tax or other comprehensive income would not be significant.

(ii) Price risk

The Group is not subject to significant price risk.

(iii) Interest rate risk

The Group's interest-bearing investments are in fixed deposits, with generally short-term maturities of around one year and fixed rate bonds issued by corporates, financial institutions and statutory boards that are held to maturity. Fixed deposits are placed with banks that offer the most competitive interest rate. On average, the interest rates of the fixed deposits are generally repriced every nine months.

The Group is exposed to interest rate risk arising from its loan and borrowings. The Group manages a significant portion of these cash flow interest rate risks using floating-to-fixed interest rate swaps.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The major classes of financial assets of the Group and Company are trade and other receivables, other investments and bank deposits. For trade and other receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security deposits where appropriate to mitigate credit risk. The trade and other receivables exposure is continuously monitored and followed up by the Finance Department and relevant business units.

For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties and an exposure cap (limit) is set and approved for each of the counterparties. The financial counterparties' limits and their credit ratings are then continuously monitored by the Treasury team.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial assets presented on the balance sheets.

26. Financial risk management (continued)

(b) Credit risk (continued)

Accounting policy for impairment of financial assets from 1 April 2018:

(i) Trade receivables

For trade receivables, the Group applies the simplified approach where lifetime ECLs are recognised from initial recognition of the receivables. In measuring the expected credit losses, trade receivables are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers under each business and adjusts to reflect current and forward-looking macroeconomic factors which may affect the ability of the customers to settle the receivables.

The Group generally considers a financial asset to be in default if the counterparty fails to make contractual payments within 90 days when they fall due and without recourse.

Trade receivables are written off when there is no reasonable expectation of recovery. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's and Company's credit risk exposures in relation to trade receivables as at 31 March 2019 are set out in the provision matrix below:

	Group 2019 $'000	Company 2019 $'000
Past due 1 to 30 days	6,364	1,636
Past due 31 to 90 days	4,432	41
More than 90 days	16,687	160
	27,483	1,837

The Group recognised a credit loss allowance of $4,993,000 (2018: $2,965,000) in respect of trade receivables, as disclosed in Note 10.

26. Financial risk management (continued)

(b) Credit risk (continued)

Accounting policy for impairment of financial assets from 1 April 2018 (continued):

(ii) Financial assets at amortised cost

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group's investments in debt instruments are considered to be low risk investments as they are of investment grade credit rating with at least one major rating agency or are internally assessed to have high credit quality. The credit ratings of the investments are monitored for credit deterioration.

Cash and cash equivalents, other receivables and other investments are subject to immaterial credit loss.

Accounting policy for impairment of financial assets before 1 April 2018:

Prior to 1 April 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. The carrying amounts of individual receivables known to be impaired were reduced using an allowance account.

The credit risk based on information provided to key management was as follows:

(i) Financial assets neither past due nor impaired

Financial assets that were neither past due nor impaired were deposits with banks and other investments which had high credit-ratings as assigned by international credit-rating agencies or were internally assessed to have high credit quality. Trade receivables that were neither past due nor impaired were substantially companies with good collection track records with the Group.

26. Financial risk management (continued)

(b) Credit risk (continued)

Accounting policy for impairment of financial assets before 1 April 2018 (continued):

(ii) *Financial assets past due but not impaired*

The age analysis of trade receivables past due but not impaired was as follows:

	Group 2018 $'000	Company 2018 $'000
Past due 1 to 30 days	3,870	1,699
Past due 31 to 90 days	1,586	52
More than 90 days	19,357	64
	24,813	1,815

(iii) *Financial assets past due and impaired*

The carrying amount of trade and other receivables (non-related) individually determined to be impaired during the financial year ended 31 March 2018 amounted to $2,965,000 (Note 10).

(c) Liquidity risk

The Group and the Company adopt prudent liquidity risk management by maintaining sufficient cash and an adequate amount of credit facilities for their operating requirements.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
2019			
Trade and other payables	1,171,812	62,843	82,476
Concession payable	24,453	378,594	13,859,256
Loan and borrowings	1,065,416	664,905	173,661
2018			
Trade and other payables	959,795	72,895	79,997
Concession payable	424,133	-	16,334,788
Loan and borrowings	196,560	1,042,596	267,647

26. Financial risk management (continued)

(c) Liquidity risk (continued)

Company

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 Years $'000
2019			
Trade and other payables	929,658	50,738	82,477
2018			
Trade and other payables	746,622	70,924	74,438
Loan and borrowings	90,000	-	-

The table below analyses the derivative financial instruments of the Group for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group	Less than 1 year $'000	Between 1 and 5 years $'000
2019		
Net-settled derivative financial instruments		
- Interest rate swaps	12	-
Net cash outflows	**12**	-
2018		
Net-settled derivative financial instruments		
- Interest rate swaps	4,374	2,593
Net cash outflows	4,374	2,593

(d) Capital risk

The Group's objective when managing capital is to ensure that the Group is adequately capitalised and to maintain an optimal capital structure so as to maximise shareholder value.

The Group is in compliance with all externally imposed capital requirements.

26. Financial risk management (continued)

(e) Fair value measurements

The table below presents assets and liabilities measured and carried at fair value, as well as assets and liabilities for which fair value disclosure is required, and for which the fair value differs from the carrying amount, classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) 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 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Group **2019**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Other investments	-	109,554	-	109,554
Derivative financial instruments	-	8,207	-	8,207
Investment property under development	-	-	1,600,000	1,600,000
Total assets	**-**	**117,761**	**1,600,000**	**1,717,761**
Liabilities				
Derivative financial instruments	-	137	-	137
Total liabilities	**-**	**137**	**-**	**137**

Group **2018**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Other investments	-	106,539	-	106,539
Investment property under development	-	-	1,145,680	1,145,680
Total assets	-	106,539	1,145,680	1,252,219
Liabilities				
Derivative financial instruments	-	2,674	-	2,674
Total liabilities	-	2,674	-	2,674

26. Financial risk management (continued)

(e) Fair value measurements (continued)

Company **2019**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Other investments	-	109,302	-	109,302
Derivative financial instruments	-	8,207	-	8,207
Total assets	**-**	**117,509**	**-**	**117,509**

Company **2018**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Other investments	-	106,539	-	106,539
Total assets	-	106,539	-	106,539

There were no transfers between levels 1, 2 and 3 during the year.

Valuation techniques used to derive Level 2 fair values

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The fair values of other investments and derivative financial instruments are calculated as the present value of the estimated future cash flows, and are determined by using counterparty quotes at the balance sheet date.

Valuation techniques used to derive Level 3 fair values

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment property under development categorised under Level 3 of the fair value hierarchy:

Property	**Valuation technique**	**Key unobservable inputs**	**Relationship of unobservable inputs to fair value**
Mixed-used development	Direct Capitalisation Method	Capitalisation rate	The higher the capitalisation rate, the lower the fair value.
	Discounted Cash Flow Method	Discount rate	The higher the discount rate, the lower the fair value

27. Immediate and ultimate holding entity

The Company's immediate and ultimate holding entity is the Minister for Finance, incorporated in Singapore.

28. Related party transactions

(a) In addition to the information disclosed elsewhere in the financial statements, the Group's significant transactions and balances with entities that are related parties to its ultimate holding entity are disclosed as follows:

	Group	
	2019	2018
	$'000	$'000
<u>Revenue</u>		
- Airport service fees	**239,653**	200,191
- Franchise fees	**82,221**	78,271
<u>Expenses</u>		
- Security related expenses	**151,912**	135,929
<u>Receivables</u>		
- Trade and other receivables	**38,848**	27,538
<u>Payables</u>		
- Trade and other payables	**1,073**	15,984

(b) Key management personnel compensation is as follows:

Key management personnel compensation paid or payable amounted to $18,760,000 (2018: $17,886,000). Of this, $13,597,000 or approximately 72% (2018: $13,102,000 or approximately 73%) is attributable to short-term employee benefits such as directors' fees, employee salaries, bonus, leave entitlement and other benefits paid or payable within 12 months after the balance sheet date. The remaining expense is attributable to contributions to the Central Provident Fund and other long-term employee benefits.

29. Listing of significant companies in the Group

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2019 %	2018 %
Significant subsidiaries				
Held by the Company				
Changi Airports International Pte. Ltd. [(a)]	Investment holding and provision of consultancy services in the field of civil aviation	Singapore	**100**	100
Changi Travel Services Pte. Ltd. [(a)]	Sale of travel and tour-related products and packages	Singapore	**100**	100
Jewel Changi Airport Holdings Pte. Ltd. [(a)]	Investment holding	Singapore	**100**	100
Held by the Group				
Changi Airport Consultants Pte. Ltd. [(a)]	Provision of airport-related consultancy services	Singapore	**100**	100
Changi Airport Planners and Engineers Pte. Ltd. [(a)]	Provision of professional engineering services in the field of civil aviation	Singapore	**100**	100
Changi Airports International Capital Pte. Ltd. [(a)]	Other investment holding	Singapore	**100**	100
Changi Airport Saudi Ltd. [(b)]	Provision of airport management and operations services	Saudi Arabia	**100**	100
Rio de Janeiro Aeroporto S.A [(c)]	Investment holding	Brazil	**100**	100
Concessionária Aeroporto Rio de Janeiro S.A [(c)]	Airport concessionaire	Brazil	**51**	51
Jewel Changi Airport Devt Pte Ltd [(a)]	Provision of development, project, and real estate management services	Singapore	**51**	51
Jewel Changi Airport Hotel Pte Ltd [(a)]	Hotel and F&B operations	Singapore	**51**	-
Jewel Changi Airport Trust [(a)]	Project development, operation and management	Singapore	**51**	51
Jewel Changi Airport Trustee Pte Ltd [(a)]	Provision of trustee-management services	Singapore	**51**	51
CTS Southeast Asia Pte. Ltd. [(a)]	Investment holding	Singapore	**60**	60

29. Listing of significant companies in the Group (continued)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2019 %	2018 %
Significant associated companies and joint ventures				
Held by the Company				
Experia Events Pte Ltd [c]	Organising and management of conferences, exhibitions and other related activities	Singapore	**20**	20
Held by the Group				
Bengal Aerotropolis Projects Ltd [c][d]	Development of airport and township projects	India	**30.2**	30.2
Transport AMD-2 Ltd [c]	Investment holding	Cyprus	**30**	37.5
OJSC International Airport Sochi [c]	Provision of airport and airport-related services	Russia	**30**	37.5
OJSC International Airport Krasnodar [c]	Provision of airport and airport-related services	Russia	**30**	37.5
OJSC International Airport Anapa [c]	Provision of airport and airport-related services	Russia	**30**	37.5
Terminal Vladivostok [c]	Provision of airport and airport-related services	Russia	**33.3**	33.3
Vladivostok International Airport [c]	Provision of airport and airport-related services	Russia	**17.4**	17.4
Fukuoka International Airport Co., Ltd [c]	Provision of airport and airport-related services	Japan	**21**	-

(a) Audited by PricewaterhouseCoopers LLP, Singapore.
(b) Audited by PricewaterhouseCoopers, Saudi Arabia.
(c) Audited by other firms
(d) BAPL has obtained financing from a consortium of banks. As required in the financing agreement, a subsidiary of the Group has undertaken not to sell, assign or transfer its shareholding in BAPL without prior approval of the banks.

30. Dividends

	Group and Company	
	2019	2018
	$'000	$'000
Final dividend paid in respect of the previous financial year (Note 24)	**305,552**	283,183

For the financial year ended 31 March 2019, a final dividend amounting to $271,623,000 will be recommended at the Annual General Meeting, subject to the approval of the shareholder. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2020.

31. New or revised accounting standards and interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2019 for which the Group has not early adopted.

The Group does not expect the adoption of these mandatory accounting standards or interpretations to have a material impact on the financial statements, except for the following:

(a) FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group will apply the standard from 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

The Group expects to recognise right-of-use assets of approximately $1,182,069,000 and lease liabilities of $1,106,359,000 (after adjustments for prepayments and accrued lease payments recognised) on 1 April 2019.

31. New or revised accounting standards and interpretations (continued)

(a) FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019) (continued)

The Group and Company do not expect their activities as lessors to have any significant impact on the financial statements. However, some additional disclosures will be required from the next financial year.

32. Event subsequent to balance sheet date

On 27 March 2019, the Group entered into an agreement to issue a 10-year $500 million bond with 300 million detachable warrants to Surbana Jurong Private Limited ("Surbana Jurong"). The bond pays an interest of 5% per annum. Surbana Jurong may exercise and convert the warrants into shares of certain subsidiaries of the Group.

On 11 April 2019, Surbana Jurong subscribed to $300 million of the bond. The net proceeds arising from the issuance of the $300 million bond (after deducting issue expenses) will be used for the refinancing of borrowings for existing investments of the Group.

The annual effective interest expense is approximately $21.6 million for the following financial year.

33. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Changi Airport Group (Singapore) Pte. Ltd. on 28 May 2019.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The information in this Appendix III has been reproduced from the annual report of Changi Airport Group (Singapore) Pte. Ltd. and its subsidiaries for the financial year ended 31 March 2020 and has not been specifically prepared for inclusion in this Information Memorandum.

CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.
AND ITS SUBSIDIARIES
(Incorporated in Singapore. Registration Number: 200910817N)

ANNUAL REPORT
For the financial year ended 31 March 2020

CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.
AND ITS SUBSIDIARIES

ANNUAL REPORT
For the financial year ended 31 March 2020

Contents

DIRECTORS' STATEMENT

For the financial year ended 31 March 2020

The directors present their statement to the member together with the audited financial statements of the Group for the financial year ended 31 March 2020 and the balance sheet of the Company as at 31 March 2020.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 6 to 76 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; 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.

Directors

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

Mr Liew Mun Leong	
Mr Abdul Wahab Bin Mohamed Yusoff	(Appointed on 1 October 2019)
Mr Eric Ang Teik Lim	
Mr Michael George William Barclay	
Mr Chia Song Hwee	
Mrs Chng Sok Hui	(Appointed on 1 October 2019)
Mr Kelvin Fan Sui Siong	
Mr Kee Teck Koon	(Appointed on 1 March 2020)
Ms Kwa Kim Li	(Appointed on 1 October 2019)
Mr Ng Chee Khern	
Mrs Tan Ching Yee	
Mr Tan Gee Paw	
Mr Tan Kong Yam	
Mr Lim Zhi Jian	(Alternate director to Mrs Tan Ching Yee)
Mr Lee Seow Hiang	

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Liew Mun Leong
Director

Lee Seow Hiang
Director

17 July 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Changi Airport Group (Singapore) Pte. Ltd. (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated income statement of the Group for the financial year ended 31 March 2020;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 March 2020;
- the balance sheets of the Company and the Group as at 31 March 2020;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's 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 and FRSs, 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.

Auditor's 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 auditor's 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 control.

- Obtain an understanding of internal control 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 control.

- 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 auditor's 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 auditor's 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD. (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

We also provide the directors 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.

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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 17 July 2020

CONSOLIDATED INCOME STATEMENT
For the financial year ended 31 March 2020

	Note	Group 2020 $'000	Group 2019 $'000
Revenue	4	**3,118,641**	3,039,915
Expenses			
- Depreciation		**(678,164)**	(502,596)
- Amortisation of intangible assets		**(52,027)**	(43,472)
- Maintenance of land, buildings and equipment		**(348,235)**	(304,398)
- Services and security related expenses		**(326,480)**	(309,689)
- Employee compensation	5	**(287,519)**	(307,974)
- CAAS services and licence fees		**(246,457)**	(230,989)
- Annual ground rent		**-**	(75,879)
- Regulatory contribution		**(25,461)**	(84,921)
- Property tax		**(80,903)**	(68,595)
- Other operating expenses		**(206,911)**	(191,497)
Total expenses		**(2,252,157)**	(2,120,010)
Operating profit		**866,484**	919,905
Finance expenses	6	**(286,210)**	(212,580)
Other income and losses - net	7	**(181,918)**	94,322
Share of results of associated companies and joint ventures	16	**16,271**	12,408
Profit before income tax		**414,627**	814,055
Income tax expense	8	**(268,282)**	(240,366)
Profit after tax		**146,345**	573,689
Profit after tax attributable to:			
Equity holder of the Company		**434,539**	677,276
Non-controlling interests		**(288,194)**	(103,587)
		146,345	573,689

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2020

	Group	
	2020	2019
	$'000	$'000
Profit after tax	**146,345**	573,689
Other comprehensive loss:		
Items that will not be reclassified to income statement:		
Share of other comprehensive income of associated company	-	5,309
Currency translation losses arising on consolidation – Non-controlling interests	**(84,451)**	(111,863)
	(84,451)	(106,554)
Items that may be reclassified subsequently to income statement:		
Cash flow hedges		
- Fair value (losses)/gains	**(15,064)**	7,826
- Share of fair value losses from an associated company	**(5,359)**	(13,154)
Currency translation losses arising on consolidation	**(94,853)**	(131,607)
	(115,276)	(136,935)
Other comprehensive loss, net of tax	**(199,727)**	(243,489)
Total comprehensive (loss)/income	**(53,382)**	330,200
Total comprehensive (loss)/income attributable to:		
Equity holder of the Company	**324,052**	544,407
Non-controlling interests	**(377,434)**	(214,207)
	(53,382)	330,200

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS
As at 31 March 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
ASSETS					
Current assets					
Cash and cash equivalents	9	**2,422,266**	1,762,845	**2,162,708**	1,588,829
Trade and other receivables	10	**215,870**	297,478	**114,945**	207,254
Other current assets	11	**124,045**	31,338	**107,136**	21,016
Other investments	18	**105,669**	102,677	**105,669**	102,677
Derivative financial instruments	24	**-**	8,207	**-**	8,207
Inventories		**13,177**	12,518	**6,708**	7,534
Tax recoverable		**7,381**	9,733	**-**	-
		2,888,408	2,224,796	**2,497,166**	1,935,517
Non-current assets					
Trade and other receivables	10	**-**	-	**871,606**	1,322,488
Other non-current assets		**134**	735	**15,965**	8,844
Property, plant and equipment	12	**6,623,770**	6,254,006	**6,567,973**	6,190,833
Intangible assets	13	**3,548,747**	4,619,135	**-**	-
Right-of-use assets	14	**1,136,363**	-	**1,136,363**	-
Investments in subsidiaries	15	**-**	-	**12,602**	263,767
Investments in associated companies and joint ventures	16	**216,195**	345,680	**11,947**	11,947
Investment property	17	**1,487,982**	1,492,275	**-**	-
Other investments	18	**11,666**	7,909	**9,044**	7,657
Deferred tax assets	19	**40,227**	163,755	**-**	-
		13,065,084	12,883,495	**8,625,500**	7,805,536
Total assets		**15,953,492**	15,108,291	**11,122,666**	9,741,053
LIABILITIES					
Current liabilities					
Trade and other payables	20	**1,006,210**	1,227,012	**787,777**	929,658
Concession payable	21	**18,231**	24,453	**-**	-
Loans and borrowings	22	**46,842**	1,009,623	**-**	-
Lease liabilities	23	**80,760**	-	**80,760**	-
Derivative financial instruments	24	**-**	137	**-**	-
Deferred income	25	**86,324**	40,199	**64,672**	19,586
Current tax liabilities		**197,292**	189,742	**181,095**	187,291
		1,435,659	2,491,166	**1,114,304**	1,136,535
Non-current liabilities					
Trade and other payables	20	**174,225**	145,323	**144,792**	133,215
Concession payable	21	**2,704,791**	3,065,657	**-**	-
Loans and borrowings	22	**1,756,399**	642,228	**-**	-
Lease liabilities	23	**1,074,465**	-	**1,074,465**	-
Derivative financial instruments	24	**111,941**	-	**-**	-
Deferred income	25	**397,223**	203,526	**361,955**	150,130
Deferred tax liabilities	19	**163,564**	99,201	**163,433**	98,762
		6,382,608	4,155,935	**1,744,645**	382,107
Total liabilities		**7,818,267**	6,647,101	**2,858,949**	1,518,642
NET ASSETS		**8,135,225**	8,461,190	**8,263,717**	8,222,411
EQUITY					
Share capital and reserves	26	**3,438,940**	3,548,624	**3,787,080**	3,791,566
Retained profits	27	**4,453,551**	4,290,167	**4,476,637**	4,430,845
		7,892,491	7,838,791	**8,263,717**	8,222,411
Non-controlling interests		**242,734**	622,399	**-**	-
Total equity		**8,135,225**	8,461,190	**8,263,717**	8,222,411

The accompanying notes form an integral part of these financial statements.

CHANGI AIRPORT GROUP (SINGAPORE) PTE. LTD.
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2020

	Share capital $'000	Hedging and other reserves $'000	Currency translation reserve $'000	Sinking fund reserve $'000	Retained profits $'000	Non-controlling interests $'000	Total equity $'000
2020							
Beginning of financial year	**3,280,387**	**19,926**	**(257,579)**	**505,890**	**4,290,167**	**622,399**	**8,461,190**
Profit for the year	-	-	-	-	434,539	(288,194)	146,345
Other comprehensive income	-	(15,634)	(94,853)	-	-	(89,240)	(199,727)
Total comprehensive income	**-**	**(15,634)**	**(94,853)**	**-**	**434,539**	**(377,434)**	**(53,382)**
Dividend paid	-	-	-	-	(271,623)	-	(271,623)
Sinking fund contribution	-	-	-	803	(803)	-	-
Acquisition of additional interest in a subsidiary	-	-	-	-	1,271	(2,231)	(960)
Total transactions with owners and other movements in equity	**-**	**-**	**-**	**803**	**(271,155)**	**(2,231)**	**(272,583)**
End of financial year	**3,280,387**	**4,292**	**(352,432)**	**506,693**	**4,453,551**	**242,734**	**8,135,225**
2019							
Beginning of financial year	**3,280,387**	**21,188**	**(125,972)**	**409,547**	**4,014,786**	**836,606**	**8,436,542**
Profit for the year	-	-	-	-	677,276	(103,587)	573,689
Other comprehensive income	-	(1,262)	(131,607)	-	-	(110,620)	(243,489)
Total comprehensive income	**-**	**(1,262)**	**(131,607)**	**-**	**677,276**	**(214,207)**	**330,200**
Dividend paid	-	-	-	-	(305,552)	-	(305,552)
Sinking fund contribution				96,343	(96,343)		
Total transactions with owners and other movements in equity	**-**	**-**	**-**	**96,343**	**(401,895)**	**-**	**(305,552)**
End of financial year	**3,280,387**	**19,926**	**(257,579)**	**505,890**	**4,290,167**	**622,399**	**8,461,190**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2020

	2020 $'000	2019 $'000
Cash flows from operating activities		
Profit after tax	**146,345**	573,689
Adjustments for:		
- Income tax expense	**268,282**	240,366
- Depreciation	**678,164**	502,596
- Amortisation of intangible assets	**52,027**	43,472
- Government grant	**(68,405)**	(26,096)
- Net loss on disposal of property, plant and equipment	**600**	2,048
- Impairment of intangible assets	**323,265**	-
- Impairment of investment in associated company	**36,923**	9,600
- Impairment of trade and other receivables	**4,965**	2,952
- Share of results of associated companies and joint ventures	**(16,271)**	(12,408)
- Unrealised currency translation differences	**(24,168)**	(16,231)
- Fair value gain on financial assets held at fair value	**(1,005)**	(2,623)
- Fair value loss/(gain) on derivatives	**1,834**	(1,834)
- Amortisation of deferred revenue	**(24,369)**	(15,343)
- Finance expenses	**286,210**	212,580
- Interest income	**(52,069)**	(42,458)
- Gain on dilution of interest in associated company	**-**	(29,782)
- Gain on disposal of associated companies	**(19,945)**	-
- Regulatory contribution	**25,461**	84,921
	1,617,844	1,525,449
Changes in working capital		
- Inventories	**(659)**	1,023
- Trade and other receivables	**114,093**	48,955
- Other assets	**(5,392)**	8,280
- Trade and other payables	**(45,490)**	43,508
Cash generated from operations	**1,680,396**	1,627,215
Interest received	**47,317**	47,075
Government grants received	**27,307**	26,096
Income tax paid	**(106,604)**	(140,845)
Net cash provided by operating activities	**1,648,416**	1,559,541
Cash flows from investing activities		
Additions to property, plant and equipment and capital work-in-progress	**(1,092,541)**	(1,129,861)
Additions to investment property and investment property under development	**(61,521)**	(305,746)
Additions to intangible assets	**(23,160)**	(38,629)
Payment of concession liabilities	**(23,854)**	(370,034)
Proceeds from return of capital from a fund investment	**-**	1,592
Proceeds from disposal of property, plant and equipment	**99**	280
Proceeds from disposal of associated companies	**70,775**	-
Investment in associated companies and joint ventures	**(45)**	(91,422)
Dividend income received	**11,167**	7,040
Purchase of financial assets at fair value through profit or loss	**(5,767)**	(1,732)
Proceeds from financial assets at amortised cost	**-**	2,750
Deposits held in trust	**(960)**	-
Net cash used in investing activities	**(1,125,807)**	(1,925,762)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2020

	Note	**2020**	2019
		$'000	$'000
Cash flow from financing activities			
Proceeds from loans and borrowings, net of transactions costs		**397,205**	518,469
Repayment of loans and borrowings		**(56,117)**	(144,138)
Interest paid		**(47,997)**	(62,623)
Payment of lease principal		**(76,467)**	-
Restricted bank deposits		**12,638**	(71,378)
Dividend paid		**(271,623)**	(305,552)
Government grants received		**193,398**	70,028
Net cash from financing activities		**151,037**	4,806
Net increase/(decrease) in cash and cash equivalents		**673,646**	(361,415)
Cash and cash equivalents at beginning of financial year	9	**1,691,467**	2,064,924
Effects of currency translation on cash and cash equivalents		**(2,547)**	(12,042)
Cash and cash equivalents at end of financial year	9	**2,362,566**	1,691,467

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Changi Airport Group (Singapore) Pte. Ltd. (the "Company") is incorporated in the Republic of Singapore. The address of its registered office is 60 Airport Boulevard #046-037, Changi Airport Terminal 2, Singapore 819643.

The principal activities of the Company are to own, develop, operate, manage and provide airport and airport-related facilities and services.

The principal activities of its subsidiaries, associated companies and joint ventures are disclosed in Note 32.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") under the historical cost convention, except as disclosed in the accounting policies below.

Interpretations and amendments to published standards effective in 2019

On 1 April 2019, the Group adopted the new or amended FRSs that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs.

The adoption of these new or amended FRSs did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years, except for the adoption of FRS 116 *Leases*, which materially affects how the Group accounts for its leases.

FRS 116 replaces the previous lease accounting standards. It requires almost all leases to be recognised on the balance sheet, including a lessee's right-of-use (ROU) asset, which represents its right to use the underlying assets, and its lease liabilities, which represent its obligations to make lease payments. The previous method of recognising operating lease expenses on a straight-line basis in the profit or loss has been replaced with a depreciation charge for ROU assets and an interest expense for lease liabilities.

2. **Significant accounting policies** (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2019 (continued)

On initial application of FRS 116, the modified retrospective approach was applied, hence comparative information has not been restated. Leases which had remaining lease terms of less than 12 months as at 1 April 2019 were accounted for as short-term leases, while leases that had previously been classified as operating leases under FRS 17 were brought onto the balance sheet as lease liabilities, measured at the present value of the remaining lease payments, amounting to $1,106,359,000. Correspondingly, ROU assets of $1,182,069,000 were recognised, measured at an amount equal to the lease liability and adjusted for the amount of prepaid or accrued lease payments as at 1 April 2019. No adjustment to the opening balance of retained earnings or any other components of equity was required.

Further details can be found in Notes 2.17, 14 and 23.

2.2 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating revenue transactions within the Group.

The Group recognises revenue when it transfers control over a good or service to a customer.

(a) Airport service fees

Airport service fees comprise landing, parking, and aerobridge fees, and passenger service and security fees. Revenue is recognised in the accounting period in which the related airport services have been rendered.

(b) Airport concessions and rental income

Airport concessions relate to rental income from retail tenants and are computed based on the higher of percentage of sales or specified minimum guaranteed sums. The rental income derived from rental of property is recognised on a straight-line basis over the period of the lease.

(c) Interest income

Interest income is recognised using the effective interest method.

2. Significant accounting policies (continued)

2.3 Government grants

Government grants that compensate the Group for expenses incurred are recognised in profit and loss as other income on a systematic basis in the same periods in which the expenses are recognised.

Other government grants related to assets are recognised initially as deferred grants at fair value when there is reasonable assurance that the grants will be received and the Group will comply with the conditions associated with the grant. The deferred grants are subsequently amortised to profit or loss on a systematic basis over the periods in which the assets are put to use.

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of subsidiaries' net results of operations and its net assets which is attributable to the interests that are not owned directly or indirectly by the equity holder of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in the subsidiaries, even if this results in the non-controlling interests having a deficit balance.

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as a bargain purchase in profit or loss on the acquisition date.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

2. **Significant accounting policies** (continued)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals (continued)

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.9 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holder of the Company.

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control. Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, liabilities incurred or assumed at the date of exchange and equity instruments issued, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses in the income statement, and its share of movements in other comprehensive income in the statement of comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments.

When the Group's share of losses in an associated company or joint venture is equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures.

Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value and any proceeds on partial disposal is recognised in profit or loss.

Please refer to Note 2.9 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2. **Significant accounting policies** (continued)

2.5 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.8 on borrowing costs).

(b) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when 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. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(c) Depreciation

Self-constructed property, plant and equipment are capitalised initially as work-in-progress and transferred to the relevant asset category when they are ready for use. No depreciation is recognised on work-in-progress.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives as follows:

	Useful lives
Runways, taxiways and others	30 years
Buildings	5 to 50 years
Plant and equipment	2 to 15 years
Vehicles and vessels	5 to 10 years
Equipment, furniture and fittings	1 to 10 years
Capital improvements	5 to 20 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2. Significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.6 Intangible assets

(a) Capitalised costs

Capitalised costs are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

(b) Infrastructure

Under the concession agreement that a subsidiary of the Company entered into with the Brazilian national agency of civil aviation, Agência Nacional de Aviação Civil ("ANAC" or "Concession Authority"), the subsidiary, as the operator, is required to build or improve the infrastructure used to provide the public service. Such infrastructure acquired during the concession period is to be returned to the Concession Authority at the end of the concession period in consideration for the rights to charge users for the service provided as operator. The infrastructure is amortised based on the economic benefit consumption curve (passenger demand curve) expected over the term of the concession of the airport. The economic benefit consumption curve is reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise. Details of the concession arrangement can be found in Note 2.6(d).

(c) Computer software

Acquired computer software licenses are amortised using the straight-line method over their estimated useful lives.

2. Significant accounting policies (continued)

2.6 Intangible assets (continued)

(d) Concession right

Concession right pertains to the right to expand, maintain and operate Antonio Carlos Jobim International ("Galeão") Airport in Rio de Janeiro, Brazil, for a period of 25 years starting from 2 April 2014. The concession right is recognised at present value calculated using a discount rate which is equivalent to the market rate with interest that is comparable with the nature, term and risks related to the concession charges. The concession right is amortised based on the economic benefit consumption curve (passenger demand curve) expected over the term of the concession, limited to the maximum capacity of each investment phase. The economic benefit consumption curve is reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Investment phases originate from triggers tied to the passenger demand curve for the purpose of maintaining the level of service required by the Concession Authority.

The finance charges arising from the adjustment of the concession are capitalised according to the changes of the investment phases until termination.

2.7 Investment property

Investment property is held for long-term rental yields and/or capital appreciation and is not occupied substantially by the Group. Investment properties include properties that are being constructed or developed for future use as investment properties.

(a) Measurement

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Costs of self-constructed investment properties includes the costs of construction and any other costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management, as well as capitalised borrowing costs (refer to Note 2.8 on borrowing costs).

2. **Significant accounting policies** (continued)

2.7 Investment property (continued)

(b) Subsequent expenditure

Subsequent expenditure relating to investment property that has already been recognised is added to the carrying amount of the asset only when 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. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(c) Depreciation

Self-constructed investment properties are capitalised initially as investment property under development and transferred to investment properties when they are ready for use. No depreciation is recognised on investment property under development.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their useful lives as follows:

	Useful lives
Building	50 years
Plant and equipment	5 to 15 years
Equipment, furniture and fixtures	3 years
Attractions	3 to 30 years
Capital improvements	15 to 20 years

The residual values, estimated useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(d) Disposal

On disposal of an item of investment property, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2. **Significant accounting policies** (continued)

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for costs that are directly attributable to the construction or development of investment property or property, plant and equipment ("properties"). This includes costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

2.9 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses on the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investment are recognised in profit or loss.

2.10 Impairment of non-financial assets

Property, plant and equipment
Intangible assets
Right-of-use assets
Investment property
Investments in subsidiaries, associated companies and joint ventures

Property, plant and equipment, intangible assets, right-of-use assets, investment property and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

An impairment loss for an asset 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.11 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets which are debt instruments are reclassified when, and only when, the Group changes its business model for managing them.

At initial recognition

Financial assets are initially recognised at fair value plus transaction costs, except for financial assets at FVPL which are recognised at fair value. Transaction costs of financial assets at FVPL are expensed in profit or loss.

2. **Significant accounting policies** (continued)

2.11 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement

(i) Debt instruments

Debt instruments comprise mainly cash and cash equivalents, trade and other receivables, and listed debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- *Debt instruments at amortised cost*

  Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

- *Debt instruments at FVOCI*

  Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income ("OCI") and accumulated in reserves, except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is recognised using the effective interest rate method.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement (continued)

(i) Debt instruments (continued)

- *Debt instruments at FVPL*

  Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movements in fair values and interest income are recognised in profit or loss in the period in which they arise.

(ii) Equity instruments

Equity instruments comprise investments in unquoted instruments held by the Group and Company.

Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise, except for certain equity instruments which are not held for trading, where the Group may irrevocably elect to present fair value changes in other comprehensive income. This election is made on an investment-by-investment basis.

Dividends from these investments are recognised in profit and loss in the period in which the dividend arises.

(b) Impairment

The Group assesses expected credit losses ("ECLs") associated with its debt financial assets at amortised cost and FVOCI on a forward-looking basis.

For trade receivables, the Group applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group applies the general approach of 12-month expected credit losses at initial recognition for all other financial assets.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(c) Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and the sale proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and the sale proceeds would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.12 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities unless there is an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

The total proceeds from bonds with convertible warrants issued are allocated to the bond and warrant components, which are separately presented on the balance sheet. The bond component is accounted for as borrowings, while the warrant component is accounted for as a derivative financial instrument in accordance with Note 2.15.

2. Significant accounting policies (continued)

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in a normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.14 Concession payable

Concession payable represents the financial obligations to the Concession Authority for the right to operate Galeão Airport, initially recorded at fair value and subsequently at amortised cost using effective interest rate. The amounts that are payable within 12 months from the balance sheet date are classified as current liabilities. The amounts that are payable more than 12 months from balance sheet date are classified as non-current liabilities.

2.15 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as a cash flow hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in cash flows of the hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 24. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

2. **Significant accounting policies** (continued)

2.15 Derivative financial instruments and hedging activities (continued)

Cash flow hedge

(i) Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to limit its interest rate exposure to the fixed rates as specified in these contracts.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve, and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in the profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

(ii) Foreign exchange ("FX") commodity swap

The Group had entered into a FX commodity swap to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and commodity prices.

The fair value changes on the effective portion of the FX commodity swap designated as cash flow hedges are recognised in other comprehensive income. The fair value changes on the ineffective portion of the FX commodity swap are recognised immediately in profit or loss.

When a forecast transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

2.16 Fair value estimation of financial instruments

The fair values of financial instruments traded in active markets (such as exchange-traded, over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

2. Significant accounting policies (continued)

2.16 Fair value estimation of financial instruments (continued)

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of the swaps and option are based on valuation provided by reputable financial institutions. The fair values of interest rate swaps are calculated as the present value of estimated future cash flows discounted at actively quoted interest rates. The fair value of the FX commodity swap is calculated as the present value of estimated cash flows for the fixed and floating legs based on commodity prices and daily average foreign exchange rates. The fair value of the commodity option is derived from the underlying price, strike price and days until expiration.

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

2.17 Leases

(i) Where the Group is the lessee, the accounting policy for leases is as follows:

Before 1 April 2019

Leases where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as expenses in profit or loss when incurred.

From 1 April 2019

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

2. Significant accounting policies (continued)

2.17 Leases (continued)

(i) Where the Group is the lessee, the accounting policy for leases is as follows: (continued)

Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The useful lives of right-of-use assets are as follows:

	Useful lives
Land	2 to 52 years
Plant and equipment	18 months

Lease liabilities

The initial measurement of a lease liability is the present value of the lease payments discounted using the rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments include fixed payments, the exercise price of a purchase option if the Group is reasonably certain to exercise the option and an estimate of necessary costs to be incurred by the Group to dismantle, remove or restore the underlying asset as required by the terms and conditions of the lease.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset when there is a change in the Group's assessment of whether it will exercise an extension or purchase option, or there are modifications in the scope or the consideration of the lease that was not part of the original term.

Short-term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2. **Significant accounting policies** (continued)

2.17 Leases (continued)

(ii) Where the Group is the lessor, the accounting policy for leases is as follows:

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

Deferred revenue relates to total lease payments received in advance from lessees who have entered into operating leases with the Group. The deferred revenue is recognised in profit or loss on a straight-line basis over the lease term.

2.18 Inventories

Inventories comprise mainly stock items used for maintenance and repair purposes. These are carried at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes all costs in bringing each stock item to its present location and condition.

2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

2. Significant accounting policies (continued)

2.19 Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.21 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans are plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2. Significant accounting policies (continued)

2.22 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("SGD"), which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on these items are included in the currency translation reserve.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2. **Significant accounting policies** (continued)

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value, net of restricted balances.

2.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.25 Dividends to Company's shareholder

Dividends to the Company's shareholder are recognised when the dividends are approved for payment.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Impact of Coronavirus Disease 2019 (COVID-19)

With the outbreak of the COVID-19 pandemic since the beginning of 2020, the global aviation industry has experienced a significant decline in traffic as a result of air travel restrictions and border controls. Where necessary, the Group has considered the impact of COVID-19 when making estimates and judgments on the recoverability of its assets, based on currently available information.

In addition, the operating results of the Group is expected to be materially impacted in the next financial year. As at the date of these financial statements, the impact of COVID-19 on the longer-term operational and financial performance of the Group is still uncertain, and recovery of the aviation industry is dependent on future developments which the Group is unable to predict with certainty. If the situation persists beyond management's current expectations, the Group's assets may become subject to write downs in the subsequent financial periods.

(ii) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred income tax asset has been recognised. Based on this, the Group has written down deferred tax assets to its recoverable amount. Further disclosures are set out in Notes 8 and 19.

The recoverability of deferred tax assets is also subject to the uncertainty relating to COVID-19 as disclosed in Note 3(i).

(iii) Capitalisation and amortisation of intangibles – concession right

Estimation is exercised in determining the capitalised finance costs and the amortisation of the intangible asset - concession right, subsequent to initial recognition. The concession right is amortised over the concession term based on installed capacity and the projection of the passenger demand curve. The curve reflects the projected use of future economic benefits which is subjected to a significant level of estimation. The Group's disclosure on the above is further set out in Note 13 of the financial statements.

3. Critical accounting estimates and judgements (continued)

(iv) Impairment of intangible assets

As operations in Galeão Airport have been affected by the challenging business environment in Brazil and the COVID-19 pandemic, an impairment review was carried out to assess the recoverable amount of the intangible assets held by the Group's subsidiary in Brazil.

The recoverable amount of the intangible assets was its value-in-use, calculated using projected cash inflows generated from the use of these intangible assets to expand, manage and operate the Galeão Airport in accordance with the concession agreement for the remaining period up to April 2039. The cash flows were derived from projections, such as passenger numbers determined by an independent consultant prior to the outbreak of COVID-19. These projections have been adjusted by management for the effects of COVID-19, where it is assumed that demand would remain suppressed for the immediate future and recovery of the industry may take a few years. Management did not factor any possible government support that the subsidiary may receive into the cash flow projections.

Cash flows were projected based on the following variables:

- 8.0% CAGR on traffic from 2019 to 2039
- 13.2% CAGR on revenue from 2019 to 2039
- Discount rate of 12.0%

Management estimated traffic, cargo volume and yields based on past performance and its expectations of market developments in Brazil. The weighted average growth rates used were consistent with industry forecasts. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

The recoverable amount of the intangible assets is sensitive to changes in passenger traffic numbers and the discount rate applied. A 5% decrease in passenger traffic or a 0.5% increase in discount rate will result in an increase of impairment by $192,000,000 or $278,000,000.

As a result of the assessment, the Group recorded an impairment charge of $323,265,000 (2019: nil), stemming mainly from a projected reduction in total passenger numbers, spending per passenger and cargo volume.

The recoverability of the Group's intangible assets continues to be subject to the uncertainty relating to COVID-19 as disclosed in Note 3(i). The impairment is disclosed in Note 13 of the financial statements.

3. Critical accounting estimates and judgements (continued)

(v) Impairment of net investment in a subsidiary

As a consequence of the intangible asset impairment disclosed in Note 3(iv), management assessed that the Company's net investment in Changi Airports International Pte. Ltd. (CAI) was impaired. A sum-of-the-parts valuation model representing CAI's value-in-use was prepared to ascertain the recoverable amount of CAI, which was determined to be $613,000,000.

The significant components of the valuation model were as follows:

- CAI's investments in Brazil, largely influenced by the valuation of intangible assets as disclosed in Notes 3(iv) and 13.
- Fair value less costs to sell CAI's investments in Russia, calculated using a discounted cash flow model. The fair value of the investments falls under Level 3 of the fair value hierarchy, with key unobservable inputs being the discount rate and terminal value exit multiple applied in the model. The discount rate reflected specific risks relating to the investments, while the terminal value exit multiple was derived based on median multiples of listed airport groups that are publicly available. Any reasonable variation to these key inputs would not result in a material change to the recoverable amount of CAI.

Discount rates applied for the valuation ranged from 7.4% to 12.0%. Except for the sensitivity disclosed in Note 3(iv), any reasonable change in the discount rates would not result in a material change to the recoverable amount of CAI.

As a result of the assessment, the Company has impaired the loans extended to CAI and equity investment in CAI by $156,836,000 and $257,164,000 respectively.

The impairments are disclosed in Notes 10 and 15 of the financial statements.

4. Revenue

	2020 **$'000**	2019 $'000
Airport service fees	**1,224,024**	1,204,950
Airport concessions and rental income	**1,498,007**	1,463,703
Others	**396,610**	371,262
	3,118,641	3,039,915

The variable rent, computed based on percentage of sales, recognised within the Airport concessions and rental income amounted to $70,170,000 (2019: $86,259,000).

Airport service fees are recognised at a point in time when the services have been rendered. Airport concessions and rental income are recognised over time.

Included in other revenue are franchise fees, utility charges, carpark revenue, sale of goods and services and other sundry income.

5. Employee compensation

	2020 **$'000**	2019 $'000
Wages and salaries	**235,233**	260,628
Others	**52,286**	47,346
	287,519	307,974

6. Finance expenses

	2020 **$'000**	2019 $'000
Interest expense on borrowings	**93,859**	53,972
Interest expense on lease liabilities	**44,249**	-
Interest expense on concession payable	**148,102**	158,608
	286,210	212,580

7. Other income and losses – net

	2020 **$'000**	2019 $'000
Interest income		
- Bank deposits	**52,049**	42,402
- Financial assets at amortised cost	**20**	56
(Loss) / gain on exchange differences	**(11,977)**	1,636
Gain on dilution of interest in an associated company	**-**	29,782
Gain on disposal of associated companies	**19,945**	-
Impairment of investment in associated companies	**(36,923)**	(9,600)
Impairment of intangible assets	**(323,265)**	-
Write-back of provision for claims and recovery of expenses in respect of terminated airport concession	**68,012**	-
Government grants	**46,052**	4,271
Others	**4,169**	25,775
	(181,918)	94,322

Included in government grants were property tax rebates received or receivable, which the Group has passed on to its concessionaires and tenants in accordance with the COVID-19 (Temporary Measures) Act 2020, as well as amounts relating to Jobs Support Scheme.

The write-back of provision for claims relates to the discharge of a performance guarantee previously provided to a third party. Expenses incurred by the Group were recovered from the third party as part of the settlement agreement.

8. Income taxes

Income tax expense

	2020 **$'000**	2019 $'000
Tax expense attributable to profit is made up of:		
- Current income tax		
- Singapore	**127,132**	152,084
- Foreign	**5,690**	3,440
	132,822	155,524
- Deferred income tax (Note 19)	**142,691**	114,184
	275,513	269,708
(Over)/under provision in prior financial years		
- Current income tax		
- Singapore	**(25,366)**	(20,498)
- Foreign	**9**	(53)
- Deferred income tax (Note 19)	**18,126**	(8,791)
	268,282	240,366

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2020 **$'000**	2019 $'000
Profit before tax	**414,627**	814,055
Less: Share of results of associated companies and joint ventures	**(16,271)**	(12,408)
Profit before tax and share of results of associated companies and joint ventures	**398,356**	801,647
Tax calculated at tax rate of 17% (2019: 17%)	**67,721**	136,280
Effects of:		
- Expenses not deductible for tax purposes	**47,586**	37,295
- Income not subject to tax	**(17,961)**	(6,522)
- Tax incentives	**(1,170)**	(990)
- Deferred tax asset not recognised	**191,539**	135,702
- Deferred tax asset written down	**69,060**	-
- Utilisation of previously unrecognised tax losses	**(51)**	(173)
- Tax in foreign jurisdiction	**(86,680)**	(31,884)
- Foreign withholding tax	**5,469**	-
Tax charge	**275,513**	269,708

9. Cash and cash equivalents

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**248,282**	211,275	**152,446**	43,929
Bank deposits	**2,173,984**	1,551,570	**2,010,262**	1,544,900
	2,422,266	1,762,845	**2,162,708**	1,588,829

Included in cash at bank and bank deposits are amounts of $59,700,000 (2019: $71,378,000) that are not readily available for use by the Group, mostly arising from a restriction imposed under a bank loan agreement entered into by a subsidiary of the Company.

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2020	2019
	$'000	$'000
Cash and cash equivalents (as above)	**2,422,266**	1,762,845
Less: Restricted bank deposits	**(58,740)**	(71,378)
Less: Deposits held in trust	**(960)**	-
Cash and cash equivalents per consolidated statement of cash flows	**2,362,566**	1,691,467

10. Trade and other receivables

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Current				
Trade and other receivables	**156,677**	155,020	**77,014**	83,841
Accrued income	**67,664**	147,451	**39,251**	123,413
Loans to subsidiaries	**-**	-	**4,979**	-
Less: Loss allowances	**(8,471)**	(4,993)	**(6,299)**	-
	215,870	297,478	**114,945**	207,254
Non-current				
Trade and other receivables	**-**	-	**-**	-
Loans to subsidiaries	**-**	-	**1,028,442**	1,322,488
Less: Loss allowances	**-**	-	**(156,836)**	-
	-	-	**871,606**	1,322,488

During the financial year, the Group recognised impairment of trade and other receivables amounting to $4,965,000 (2019: $2,952,000).

Included in trade and other receivables is an amount of $29,190,000 (2019: nil) due from an associated company. The amount is unsecured, interest free and repayable based on an agreed schedule.

Loans to subsidiaries are unsecured, denominated in Singapore Dollars. The non-current loans to subsidiaries have no fixed terms of repayment. The interest income (if any) is determined using the effective interest rate method.

11. Other current assets

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Prepayments and deposits	**16,120**	12,761	**7,945**	3,795
Interest receivable	**22,086**	17,221	**22,086**	17,221
Grants receivable	**69,577**	-	**68,445**	-
Others	**16,262**	1,356	**8,660**	-
	124,045	31,338	**107,136**	21,016

12. Property, plant and equipment

	Runways, taxiways and others $'000	Buildings $'000	Plant and equipment $'000	Vehicles and vessels $'000	Office / other equipment, furniture and fittings $'000	Capital improve-ments $'000	Work-in-progress $'000	Total $'000
Group								
As at 31 March 2020								
Cost								
Beginning of financial year	759,171	1,985,879	2,901,091	50,919	231,496	1,136,904	1,951,500	9,016,960
Currency translation differences	-	-	18	(22)	(307)	3	-	(308)
Additions	-	-	1,228	-	546	803	928,414	930,991
Transfer from work-in-progress	8,830	273,018	471,038	9,223	27,418	111,057	(900,584)	-
Reclassification	16,042	48,580	(88,096)	(453)	6,179	17,748	-	-
Disposals	(13)	(3,958)	(39,496)	(750)	(2,961)	(3,129)	-	(50,307)
End of financial year	784,030	2,303,519	3,245,783	58,917	262,371	1,263,386	1,979,330	9,897,336
Accumulated depreciation								
Beginning of financial year	208,956	442,122	1,279,007	28,165	150,859	653,845	-	2,762,954
Currency translation differences	-	-	(21)	(14)	(71)	1	-	(105)
Depreciation charge	30,993	82,479	284,692	4,954	50,614	106,597	-	560,329
Reclassification	(51)	2,859	263	69	(2,547)	(593)	-	-
Disposals	(6)	(3,942)	(39,239)	(690)	(2,903)	(2,832)	-	(49,612)
End of financial year	239,892	523,518	1,524,702	32,484	195,952	757,018	-	3,273,566
Net book value								
End of financial year	**544,138**	**1,780,001**	**1,721,081**	**26,433**	**66,419**	**506,368**	**1,979,330**	**6,623,770**

	Runways, taxiways and others $'000	Buildings $'000	Plant and equipment $'000	Vehicles and vessels $'000	Office / other equipment, furniture and fittings $'000	Capital improve-ments $'000	Work-in-progress $'000	Total $'000
Group								
As at 31 March 2019								
Cost								
Beginning of financial year	597,459	1,794,702	2,416,202	48,640	192,238	971,807	1,890,655	7,911,703
Currency translation differences	-	-	1	(10)	(190)	-	-	(199)
Additions	-	-	1,561	54	1,314	806	1,145,197	1,148,932
Transfer from work-in-progress	161,712	192,625	514,169	8,260	44,133	163,453	(1,084,352)	-
Reclassification	-	(396)	(989)	-	346	1,039	-	-
Disposals	-	(1,052)	(29,853)	(6,025)	(6,345)	(201)	-	(43,476)
End of financial year	759,171	1,985,879	2,901,091	50,919	231,496	1,136,904	1,951,500	9,016,960
Accumulated depreciation								
Beginning of financial year	180,226	373,952	1,049,103	29,776	112,024	556,273	-	2,301,354
Currency translation differences	-	-	-	(3)	(27)	-	-	(30)
Depreciation charge	28,732	68,812	258,485	4,411	44,210	97,946	-	502,596
Reclassification	(2)	(38)	(466)	-	702	(196)	-	-
Disposals	-	(604)	(28,115)	(6,019)	(6,050)	(178)	-	(40,966)
End of financial year	208,956	442,122	1,279,007	28,165	150,859	653,845	-	2,762,954
Net book value								
End of financial year	**550,215**	**1,543,757**	**1,622,084**	**22,754**	**80,637**	**483,059**	**1,951,500**	**6,254,006**

12. **Property, plant and equipment** (continued)

	Runways, taxiways and others $'000	Buildings $'000	Plant and equipment $'000	Vehicles and vessels $'000	Office / other equipment, furniture and fittings $'000	Capital improve-ments $'000	Work-in-progress $'000	Total $'000
Company								
As at 31 March 2020								
Cost								
Beginning of financial year	759,171	1,981,956	2,891,115	50,821	224,312	1,132,226	1,896,657	8,936,258
Additions	-	-	-	-	-	-	928,674	928,674
Transfer from work-in-progress	8,830	224,261	457,516	9,223	25,708	101,596	(827,134)	-
Reclassification	16,042	48,580	(90,514)	(453)	8,597	17,748	-	-
Disposals	(13)	(35)	(34,677)	(750)	(930)	(435)	-	(36,840)
End of financial year	784,030	2,254,762	3,223,440	58,841	257,687	1,251,135	1,998,197	9,828,092
Accumulated depreciation								
Beginning of financial year	208,956	439,098	1,272,361	28,117	145,896	650,997	-	2,745,425
Depreciation charge	30,993	80,569	280,554	4,939	49,186	104,946	-	551,187
Reclassification	(51)	2,859	(1,615)	69	(669)	(593)	-	-
Disposals	(6)	(19)	(34,451)	(690)	(924)	(403)	-	(36,493)
End of financial year	239,892	522,507	1,516,849	32,435	193,489	754,947	-	3,260,119
Net book value								
End of financial year	**544,138**	**1,732,255**	**1,706,591**	**26,406**	**64,198**	**496,188**	**1,998,197**	**6,567,973**

	Runways, taxiways and others $'000	Buildings $'000	Plant and equipment $'000	Vehicles and vessels $'000	Office / other equipment, furniture and fittings $'000	Capital improve-ments $'000	Work-in-progress $'000	Total $'000
Company								
As at 31 March 2019								
Cost								
Beginning of financial year	597,459	1,790,779	2,406,275	48,582	185,145	968,916	1,861,004	7,858,160
Additions	-	-	-	-	-	-	1,120,005	1,120,005
Transfer from work-in-progress	161,712	192,625	514,169	8,260	44,133	163,453	(1,084,352)	-
Reclassification	-	(396)	350	-	-	46	-	-
Disposals	-	(1,052)	(29,679)	(6,021)	(4,966)	(189)	-	(41,907)
End of financial year	759,171	1,981,956	2,891,115	50,821	224,312	1,132,226	1,896,657	8,936,258
Accumulated depreciation								
Beginning of financial year	180,226	372,007	1,044,717	29,770	108,879	553,963	-	2,289,562
Depreciation charge	28,732	67,733	255,965	4,366	41,985	96,942	-	495,723
Reclassification	(2)	(38)	(225)	-	(2)	267	-	-
Disposals	-	(604)	(28,096)	(6,019)	(4,966)	(175)	-	(39,860)
End of financial year	208,956	439,098	1,272,361	28,117	145,896	650,997	-	2,745,425
Net book value								
End of financial year	**550,215**	**1,542,858**	**1,618,754**	**22,704**	**78,416**	**481,229**	**1,896,657**	**6,190,833**

13. Intangible assets

	Concession right $'000	Infrastructure $'000	Computer software $'000	Capitalised costs $'000	Total $'000
Group					
As at 31 March 2020					
Cost					
Beginning of financial year	3,832,797	826,574	6,216	6,090	4,671,677
Currency translation differences	(860,050)	(176,608)	(2,912)	-	(1,039,570)
Additions	236,645	18,200	9,634	-	264,479
Disposals	-	(14)	(378)	-	(392)
End of financial year	3,209,392	668,152	12,560	6,090	3,896,194
Accumulated amortisation					
Beginning of financial year	31,046	20,255	417	824	52,542
Currency translation differences	(14,432)	(7,298)	(200)	-	(21,930)
Amortisation charge	25,878	19,297	1,586	5,266	52,027
Disposals	-	-	(378)	-	(378)
End of financial year	42,492	32,254	1,425	6,090	82,261
Accumulated impairment					
Beginning of financial year	-	-	-	-	-
Currency translation differences	(58,079)	-	-	-	(58,079)
Impairment charge	295,113	28,152	-	-	323,265
End of financial year	237,034	28,152	-	-	265,186
Net book value					
End of financial year	**2,929,866**	**607,746**	**11,135**	**-**	**3,548,747**

	Concession right $'000	Infrastructure $'000	Computer software $'000	Capitalised costs $'000	Total $'000
Group					
As at 31 March 2019					
Cost					
Beginning of financial year	4,120,071	917,820	7,027	6,090	5,051,008
Currency translation differences	(541,598)	(129,165)	(1,521)	-	(672,284)
Additions	254,324	37,919	710	-	292,953
End of financial year	3,832,797	826,574	6,216	6,090	4,671,677
Accumulated amortisation					
Beginning of financial year	8,197	4,683	95	317	13,292
Currency translation differences	(2,769)	(1,445)	(8)	-	(4,222)
Amortisation charge	25,618	17,017	330	507	43,472
End of financial year	31,046	20,255	417	824	52,542
Net book value					
End of financial year	**3,801,751**	**806,319**	**5,799**	**5,266**	**4,619,135**

13. Intangible assets (continued)

The concession right represents the right to charge the users of public services by means of fees for a period of time as set out in the concession agreement with the Concession Authority. The concession right was pledged against bank borrowings (Note 22).

Infrastructure pertains to costs of assets used in the infrastructure of the concession that would be returned to the Concession Authority upon expiration of the concession right.

During the financial year, due to the continuous weak performance and lacklustre economic outlook in Brazil and the COVID-19 pandemic, an impairment review was carried out to assess the recoverable amount of the intangible assets held by the Group's subsidiary in Brazil. As a result of the review, an impairment charge of $323,265,000 was recognised.

Details on estimates and judgments are set out in Note 3(iv).

14. Right-of-use assets

The Group and Company leases several pieces of land from the Civil Aviation Authority of Singapore (CAAS) and operational equipment for the operation of Changi Airport.

	Land $'000	Plant and equipment $'000	Total $'000
Group and Company			
As at 31 March 2020			
Cost			
Beginning of financial year	-	-	-
Initial application of FRS 116	1,182,069	-	1,182,069
Additions	-	5,511	5,511
End of financial year	1,182,069	5,511	1,187,580
Accumulated depreciation			
Beginning of financial year	-	-	-
Depreciation charge	50,604	613	51,217
End of financial year	50,604	613	51,217
Net book value			
End of financial year	1,131,465	4,898	1,136,363

15. Investments in subsidiaries

	Company	
	2020	2019
	$'000	$'000
Unquoted equity shares, at cost	**269,767**	263,767
Less: Impairment allowance	**(257,165)**	-
	12,602	263,767

Details of significant subsidiaries are included in Note 29.

(a) Impairment

In the current financial year, the Company recognised impairment of $257,164,000 (2019: $nil) on its investment in Changi Airports International Pte. Ltd. (CAI). This arose from cumulative losses incurred as a result of sustained economic downturn or weak market conditions in certain countries in which CAI's portfolio assets operate. The Company has accordingly written down the carrying value of CAI to the recoverable amount of the investment, computed based on a sum-of-the-parts valuation model reflecting its value in use to the Company.

Details on estimates and judgments are set out in Note 3(v).

15. Investments in subsidiaries (continued)

(b) Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information of subsidiaries with material non-controlling interests, namely Rio de Janeiro Aeroporto S.A. (RJA) and Jewel Changi Airport Trust (JCAT). These are presented before inter-company eliminations.

	RJA Group		JCAT	
	2020 **$'000**	2019 $'000	**2020** **$'000**	2019 $'000
Summarised balance sheet				
Current assets	**178,774**	210,953	**54,336**	27,183
Non-current assets	**3,589,673**	4,783,961	**1,603,285**	1,605,421
Current liabilities	**(98,712)**	(130,900)	**(205,154)**	(1,173,294)
Non-current liabilities	**(3,053,427)**	(3,534,613)	**(1,528,427)**	(479,260)
Net assets	**616,308**	1,329,401	**(75,960)**	(19,950)
Less: Non-controlling interest	**(292,555)**	(642,811)	**37,220**	9,776
	323,753	686,590	**(38,740)**	(10,174)
Summarised income statement				
Revenue	**299,442**	337,800	**128,647**	650
Loss after tax	**(547,533)**	(194,804)	**(46,237)**	(10,298)
Total comprehensive loss	**(713,175)**	(423,084)	**(56,011)**	(7,761)
Total comprehensive loss allocated to non-controlling interest	**(350,256)**	(207,311)	**(27,445)**	(3,803)
Summarised cash flows				
Net cash from operating activities	**107,882**	98,984	**73,078**	25,844
Net cash from investing activities	**(23,131)**	(408,899)	**(103,443)**	(330,035)
Net cash from financing activities	**(72,453)**	202,808	**44,246**	304,889

16. Investments in associated companies and joint ventures

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**345,680**	266,648	**11,947**	11,947
Capital injection	**45**	90,997	-	-
Share of results	**16,271**	12,408	-	-
Dividends received	**(11,167)**	(7,040)	-	-
Dilution gain	-	29,782	-	-
Unrealised gain	**(22,718)**	-	-	-
Share of other comprehensive income	**(5,261)**	(13,472)	-	-
Disposal	**(49,686)**	-	-	-
Currency translation differences	**(20,046)**	(24,043)	-	-
	253,118	355,280	11,947	11,947
Less: Impairment allowance	**(36,923)**	(9,600)	-	-
End of financial year	**216,195**	345,680	11,947	11,947

Set out below are the significant associated companies and joint ventures of the Group as at 31 March 2020.

(i) Bengal Aerotropolis Projects Limited ("BAPL")

The Group has a 30.2% (2019: 30.2%) equity stake in BAPL, a company incorporated in India. BAPL's principal business is to develop an airport and surrounding township in Durgapur, West Bengal, India.

In the current financial year, BAPL continued to experience business and financial difficulties. Business conditions are expected to remain challenging in the near term. Accordingly, the investment in BAPL was written down by $36,923,000 (2019: $9,600,000) to the recoverable amount determined based on value-in-use for the airport and fair value less cost to sell for the township land.

16. Investments in associated companies and joint ventures (continued)

(ii) Transport AMD-2 Limited ("TAMD-2")

The Group has a 30% (2019: 30%) equity interest in TAMD-2, a company incorporated in the Republic of Cyprus. TAMD-2 holds investments in a group of companies whose principal activities are to provide airport and related services in the cities of Krasnodar, Sochi and Anapa, in the Russian Federation.

In the previous financial year, the Group's interest in TAMD-2 was diluted from 37.5% to 30% due to a conversion of preference shares into equity shares in TAMD-2 by the preference shareholder.

(iii) Terminal Vladivostok and Vladivostok International Airport (collectively "VVO")

VVO consists of Terminal Vladivostok ("TV") and Vladivostok International Airport ("IAV"), whose principal activities are to provide airport and related services in the city of Vladivostok, in the Russian Federation. The shares of TV and IAV were pledged as collateral for the loans taken by TV and IAV.

In January 2020, the Group sold its stake in TV and IAV to the TAMD-2 Group. The consideration was RUB 4,860 million (approximately $106 million), of which RUB 3,250 million (approximately $71 million) has been received. After the transaction, the Group's effective interest in TV decreased from 33.3% to 20.0%, while the Group's effective interest in IAV increased from 17.4% to 18.5%. A net gain on disposal of $19,945,000 was recognised in profit or loss, while an unrealised gain of $22,718,000 relating to the Group's indirect interest in VVO held via TAMD-2 was deferred within the investment in TAMD-2.

(iv) Fukuoka International Airport Co., Ltd. ("FUK")

The Group has a 21% (2019: 21%) interest in FUK. The principal activities are to provide airport and related services in the city of Fukuoka, Japan.

Further details of significant associated companies and joint ventures are provided in Note 32.

17. Investment property

Group	Investment property $'000	Investment property under development $'000	Total $'000
As at 31 March 2020			
Cost			
Beginning of financial year	-	1,492,275	1,492,275
Additions	-	62,675	62,675
Transfers	1,554,950	(1,554,950)	-
End of financial year	1,554,950	-	1,554,950
Accumulated depreciation			
Beginning of financial year	-	-	-
Depreciation charge	66,968	-	66,968
End of financial year	66,968	-	66,968
Net book value			
End of financial year	**1,487,982**	-	**1,487,982**
Group			
As at 31 March 2019			
Cost			
Beginning of financial year	-	1,117,766	1,117,766
Additions	-	374,509	374,509
End of financial year	-	1,492,275	1,492,275
Net book value			
End of financial year	-	**1,492,275**	**1,492,275**

Additions during the year comprised substantially of construction costs. During the financial year, the borrowing costs capitalised as cost of investment property amounted to $953,000 (2019: $26,138,000), with effective interest rates ranging from 2.60% to 3% (2019: 1.50% to 3.12%) per annum.

As at 31 March 2020, the fair value of the investment property was $1,600,000,000 (2019: $1,600,000,000). The fair value of the investment property was obtained based on a valuation performed by an independent professional valuer, in which the Direct Capitalisation Method and Discounted Cash Flow approach were used. The fair value is the average value derived from the two methods. The outbreak of COVID-19 has resulted in market uncertainty and volatility, and accordingly the valuation of investment property may fluctuate more rapidly and significantly subsequent to valuation date as compared to normal market conditions.

The fair value of the investment property is sensitive to changes in total estimated revenues used in the valuation. If total estimated revenues decreased by 5%, the fair value would decrease by approximately $90,000,000.

Details of the fair value measurement hierarchy of the investment property are provided in Note 29(e).

18. Other investments

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Current				
Financial assets at amortised cost				
- Bond with fixed interest	**1,010**	-	**1,010**	-
Financial assets at fair value through profit or loss				
- Quoted instruments	**104,659**	102,677	**104,659**	102,677
	105,669	102,677	**105,669**	102,677
Non-current				
Financial asset at amortised cost				
- Bond with fixed interest	-	1,032	-	1,032
Financial assets at fair value through profit or loss				
- Unquoted instruments	**11,666**	6,877	**9,044**	6,625
	11,666	7,909	**9,044**	7,657

The interest rate for the bond is 4.30% (2019: 4.30%) per annum. The fair value of the bond as at 31 March 2020 approximates its carrying value.

19. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Deferred income tax assets				
- to be recovered after one year	**(40,227)**	(163,755)	**-**	-
Deferred income tax liabilities				
- to be settled after one year	**163,564**	99,201	**163,433**	98,762

Movement in net deferred income tax liabilities/(assets) is as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**(64,554)**	(203,638)	**98,762**	72,218
Under/(over) provision in prior years	**18,126**	(8,791)	**18,394**	(8,954)
Tax charged to profit or loss	**142,691**	114,184	**47,360**	34,415
Tax charged to other comprehensive income	**(3,112)**	1,083	**(1,083)**	1,083
Currency translation differences	**30,186**	32,608	**-**	-
End of financial year	**123,337**	(64,554)	**163,433**	98,762

19. Deferred income taxes (continued)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $572,580,000 (2019: $405,131,000) arising from the subsidiaries of the Group at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies in their respective countries of incorporation.

The movement in deferred income tax assets and liabilities prior to offsetting of balances within the same jurisdiction during the financial year is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Amortisation of intangibles $'000	Others $'000	Total $'000
As at 31 March 2020				
Beginning of financial year	111,768	295,286	3,144	410,198
Charged to profit or loss	67,441	26,518	738	94,697
Credited to other comprehensive income	-	-	(3,112)	(3,112)
Currency translation differences	-	(68,618)	-	(68,618)
End of financial year	**179,209**	**253,186**	**770**	**433,165**
As at 31 March 2019				
Beginning of financial year	82,864	235,239	4,993	323,096
Charged/(credited) to profit or loss	28,904	81,604	(2,932)	107,576
Charged to other comprehensive income	-	-	1,083	1,083
Currency translation differences	-	(21,557)	-	(21,557)
End of financial year	**111,768**	**295,286**	**3,144**	**410,198**

19. Deferred income taxes (continued)

Group (continued)

Deferred income tax assets

	Tax losses $'000	Unutilised capital allowances $'000	Provisions $'000	Leases $'000	Total $'000
As at 31 March 2020					
Beginning of financial year	(458,187)	(832)	(15,733)	-	(474,752)
Charged/(credited) to profit or loss	69,980	(1,119)	(5)	(2,736)	66,120
Currency translation differences	98,804	-	-	-	98,804
End of financial year	**(289,403)**	**(1,951)**	**(15,738)**	**(2,736)**	**(309,828)**
As at 31 March 2019					
Beginning of financial year	(510,835)	(547)	(15,352)	-	(526,734)
Credited to profit or loss	(1,517)	(285)	(381)	-	(2,183)
Currency translation differences	54,165	-	-	-	54,165
End of financial year	**(458,187)**	**(832)**	**(15,733)**	**-**	**(474,752)**

Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Others $'000	Total $'000
As at 31 March 2020			
Beginning of financial year	111,347	3,143	114,490
Charged to profit or loss	67,731	723	68,454
Charged to other comprehensive income	-	(1,083)	(1,083)
End of financial year	**179,078**	**2,783**	**181,861**
As at 31 March 2019			
Beginning of financial year	82,564	5,006	87,570
Charged/(credited) to profit or loss	28,783	(2,946)	25,837
Charged to other comprehensive income	-	1,083	1,083
End of financial year	**111,347**	**3,143**	**114,490**

19. Deferred income taxes (continued)

Company (continued)

Deferred income tax assets

	Leases $'000	Provisions $'000	Total $'000
As at 31 March 2020			
Beginning of financial year	-	(15,728)	(15,728)
(Credited)/charged to profit or loss	(2,736)	36	(2,700)
End of financial year	(2,736)	(15,692)	(18,428)
As at 31 March 2019			
Beginning of financial year	-	(15,352)	(15,352)
Credited to profit or loss	-	(376)	(376)
End of financial year	-	(15,728)	(15,728)

20. Trade and other payables

	Group		Company	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Current				
Trade payables	**138,397**	223,653	**119,691**	187,612
Non-trade payables to subsidiaries	**-**	-	**12,548**	20,069
Accrued operating expenses	**223,246**	268,727	**190,725**	245,430
Accrued capital expenditure and development costs	**378,954**	429,065	**246,412**	257,618
Sundry creditors and other accruals	**64,207**	128,313	**46,912**	70,840
Accrued regulatory contribution	**105,449**	84,921	**105,449**	84,921
Deposits received	**95,957**	92,333	**66,040**	63,168
	1,006,210	1,227,012	**787,777**	929,658

The non-trade payables to subsidiaries represent funds from subsidiaries managed by the Company on their behalf, and are unsecured and repayable on demand. The interest payable to subsidiaries for the funds managed ranges from 0.6% to 1.8% (2019: 0.6% to 1.6%).

Accrued regulatory contribution relates to the regulatory contribution that the Company is required to make in accordance with the CAAS Act. During the financial year, an amount of $4,933,000 (2019: nil) was utilised against the provision.

20. Trade and other payables (continued)

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Non-current				
Accrued capital expenditure and development costs	**50,847**	42,978	**50,847**	42,978
Other non-current liabilities	**123,378**	102,345	**93,945**	90,237
	174,225	145,323	**144,792**	133,215

Included in other non-current liabilities are accruals mainly relating to employee compensation schemes that are deferred and payable over a period of time and other miscellaneous non-current liabilities.

21. Concession payable

	Group	
	2020	2019
	$'000	$'000
Beginning of financial year	**3,090,110**	3,494,758
Capitalised interest charge	**236,645**	254,324
Interest expense	**148,102**	158,607
Accrued variable concession	**22,497**	3,473
Less: Concession payment	**(23,854)**	(370,034)
Currency translation differences	**(750,478)**	(451,018)
End of financial year	**2,723,022**	3,090,110
Classified as:		
Current	**18,231**	24,453
Non-current	**2,704,791**	3,065,657
	2,723,022	3,090,110

Concession payable is made up of fixed and variable components. Fixed concession payable is discounted using an effective interest rate of 12.5%. Variable concession payable corresponds to 5% of gross operating revenue after deduction of legislated ATAERO fees which are embedded within the regulated airport service fees. ATAERO fees collected (net of revenue taxes) are payable to the Brazilian Civil Aviation National Fund.

22. Loans and borrowings

	Group	
	2020	2019
	$'000	$'000
Current		
Bank borrowings – secured	**46,842**	1,009,623
Non-current		
Bank borrowings – secured	**1,322,286**	416,190
Loan from non-controlling interest	**229,027**	226,038
Bond payable – unsecured	**205,086**	-
	1,756,399	642,228

Included in total secured bank borrowings for the Group is an amount of $351,342,000 (2019: $472,368,000) which pertained to borrowings by Concessionária Aeroporto Rio de Janeiro S.A. (CARJ) from the National Bank for Economic and Social Development of Brazil ("BNDES") and other Brazilian commercial banks with an effective interest spread of 3.3% (2019: 3.3%) per annum above the Brazilian Long-term Interest Rate (TJLP). The bank borrowings are guaranteed by the Group's shares in RJA and CARJ, as well as credit rights arising from the concession agreement in Brazil. A corporate guarantee was issued by CAI, which guarantees 49% of the total financing of the subsidiary and is related only to the portion directly lent by BNDES.

Also included in total secured bank borrowings for the Group is an amount of $1,017,786,000 (2019: $953,445,000) which are variable rate borrowings and will be contractually repriced between one to three months. These bank borrowings will mature on the date falling 60 months from the first loan utilisation date and are secured on the assignment of insurances and contractual proceeds.

The loan from non-controlling interest is unsecured and interest expense is determined using the effective interest rate method. The loan is subordinated to external borrowings and is not expected to be repaid within the next twelve months from the end of the financial year.

On 27 March 2019, a subsidiary of the Company entered into an agreement to issue up to $500 million of 10-year fixed rate bonds with 300 million detachable warrants to Surbana Jurong Capital (Aviation) Pte. Ltd. ("Surbana Jurong"). The bond pays an interest of 5% per annum. The warrants are exercisable at Surbana Jurong's discretion into shares of certain subsidiaries held by the issuer at a 25% discount off the fair values of the equity shares up to a total discount of $100 million, at any time between issuance and maturity.

22. Loans and borrowings (continued)

On 11 April 2019, Surbana Jurong subscribed to $300 million of the bonds which included the 300 million detachable warrants. The bond payable is amortised based on the assumption that it will be repaid at maturity date at an effective interest of 9.5%. The warrants are recognised as a derivative financial liability (Note 24).

At the balance sheet date, the fair values of the bank borrowings, loan from non-controlling interest and bond payable approximate their carrying values.

Reconciliation of loans and borrowings arising from financing activities

	2020 **$'000**	2019 $'000
Beginning of financial year	**1,651,851**	1,331,906
Proceeds (net of principal and interest payments)	**293,107**	332,134
Non-cash changes:		
- Warrant recognised at inception	**(100,000)**	-
- Accrued interest	**53,755**	47,331
- Foreign exchange movement	**(93,793)**	(50,025)
- Other non-cash movements	**(1,679)**	(9,495)
End of financial year	**1,803,241**	1,651,851

23. Lease liabilities

	Group and Company 2020 $'000	Group and Company 2019 $'000
Beginning of financial year	**-**	-
Initial adoption of FRS 116	**1,106,359**	-
Additions	**5,511**	-
Interest expense	**44,249**	-
Repayment of principal	**(878)**	-
Repayment of interest	**(16)**	-
End of financial year	**1,155,225**	-
Classified as:		
Current	**80,760**	-
Non-current	**1,074,465**	-
	1,155,225	-

A reconciliation of the differences between the operating lease commitments previously disclosed in the Group's financial statements as at 31 March 2019 and the lease liabilities recognised in the balance sheet as at 1 April 2019 is as follows:

	Group $'000	Company $'000
Operating lease commitments disclosed as at 31 March 2019	1,795,669	1,794,230
Less:		
- Commitments for short-term leases	(1,568)	(129)
- Lease payments made on 1 April 2019	(75,589)	(75,589)
Effect of discounting using weighted average incremental borrowing rate of 4.0% per annum	(612,153)	(612,153)
Lease liabilities recognised on 1 April 2019	1,106,359	1,106,359

24. Derivative financial instruments

	Group			Company		
		Fair value			Fair value	
	Contract notional amount	Asset	Liability	Contract notional amount	Asset	Liability
	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 March 2020						
Derivatives held for hedging:						
Cash flow hedge						
- Interest rate swaps	**510,000**	-	**(11,941)**	-	-	-
Derivatives not held for hedging:						
- Detachable warrants	**100,000**	-	**(100,000)**	-	-	-
		-	**(111,941)**		-	-
Classified as:						
- Current		-	-		-	-
- Non-current		-	**(111,941)**		-	-
		-	**(111,941)**		-	-
As at 31 March 2019						
Derivatives held for hedging:						
Cash flow hedge						
- Interest rate swaps	415,000	-	(137)	-	-	-
- FX commodity swap	36,214	6,373	-	36,214	6,373	-
Derivatives not held for hedging:						
- Commodity option	8,068	1,834	-	8,068	1,834	-
		8,207	(137)		8,207	-
Classified as:						
- Current		8,207	(137)		8,207	-

The weighted average hedged rate for interest rate swaps was 1.9% (2019: 2.0%). The interest rate swaps mature in July 2024.

The weighted average hedged rate for FX commodity swap was $450 (2019: $450) per metric tonne. As at balance sheet date, the FX commodity swap has matured.

Details of the detachable warrants are disclosed in Note 22.

There was no hedge ineffectiveness during the year.

25. Deferred income

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Advances received	**54,423**	27,369	**42,635**	15,275
Deferred revenue	**124,900**	146,328	**80,104**	84,413
Deferred grants	**304,224**	70,028	**303,888**	70,028
	483,547	243,725	**426,627**	169,716
Classified as:				
Current	**86,324**	40,199	**64,672**	19,586
Non-current	**397,223**	203,526	**361,955**	150,130
	483,547	243,725	**426,627**	169,716

Deferred grants are amounts granted by the government to the Company to partially defray the costs of construction or acquisition of property, plant and equipment. Additions to deferred grants during the financial year amounted to $218,568,000 (2019: $70,028,000). The deferred grants amortised to profit or loss during the financial year amounted to $350,000 (2019: $nil).

26. Share capital and reserves

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Share capital	**3,280,387**	3,280,387	**3,280,387**	3,280,387
Other reserve (b(i))	**27,861**	27,861	**-**	-
Hedging reserve (b(ii))	**(23,569)**	(7,935)	**-**	5,289
Currency translation reserve (b(iii))	**(352,432)**	(257,579)	**-**	-
Sinking fund reserve (b(iv))	**506,693**	505,890	**506,693**	505,890
	3,438,940	3,548,624	**3,787,080**	3,791,566

(a) Share capital

The Group and Company's share capital comprises 3,280,387,000 (2019: 3,280,387,000) fully paid-up ordinary shares with no par value, amounting to a total of $3,280,387,000 (2019: $3,280,387,000).

26. Share capital and reserves (continued)

(b) Composition of reserves

(i) Other reserve mainly relates to the difference between the consideration paid to CAAS as compared to the carrying amount of net assets transferred from CAAS, as reflected in the financial records of CAAS as at 1 July 2009 and, adjusted by the requirements of Singapore Financial Reporting Standards. The remaining amount pertains to the share of reserve of an associated company.

(ii) The Group used financial derivatives to hedge cash flow risks arising from changes in interest rates, foreign exchange rates and commodity prices. Fair values on the hedging derivatives are recognised in other comprehensive income and accumulated in the hedging reserve.

(iii) The currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of entities in the Group whose functional currencies are different from the presentation currency of these financial statements as well as the Group's share of currency translation differences of its associated companies and joint ventures.

(iv) The sinking fund reserve has been set up for the Changi East Development.

The above reserves are non-distributable.

(c) Movements of reserves

(i) Hedging reserve

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**(7,935)**	(1,364)	**5,289**	-
Fair value (losses) / gains	**(12,814)**	17,871	**(3,039)**	15,334
Reclassified to profit or loss	**(2,250)**	(10,045)	**(2,250)**	(10,045)
Share of hedging reserve from an associated company	**(5,359)**	(13,154)	**-**	-
Less: Non-controlling interests	**4,789**	(1,243)	**-**	-
End of financial year	**(23,569)**	(7,935)	**-**	5,289

26. Share capital and reserves (continued)

(c) Movements of reserves (continued)

(ii) Currency translation reserve

	Group 2020 $'000	Group 2019 $'000
Beginning of financial year	**(257,579)**	(125,972)
Net currency translation differences of foreign subsidiaries, associated companies and joint ventures	**(185,728)**	(237,842)
Reclassified to profit or loss	**6,324**	-
Share of currency translation gain/(loss) of associated companies and joint ventures	**100**	(5,628)
Less: Non-controlling interests	**84,451**	111,863
End of financial year	**(352,432)**	(257,579)

(iii) Sinking fund reserve

	Group and Company 2020 $'000	Group and Company 2019 $'000
Beginning of financial year	**505,890**	409,547
Sinking fund contribution	**803**	96,343
End of financial year	**506,693**	505,890

27. Retained profits

Movements in retained profits for the Group and Company are as follows:

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Beginning of financial year	**4,290,167**	4,014,786	**4,430,845**	4,056,676
Net profit	**434,539**	677,276	**318,218**	776,064
Dividend paid (Note 33)	**(271,623)**	(305,552)	**(271,623)**	(305,552)
Acquisition of additional interest in a subsidiary	**1,271**	-	**-**	-
Sinking fund contribution	**(803)**	(96,343)	**(803)**	(96,343)
End of financial year	**4,453,551**	4,290,167	**4,476,637**	4,430,845

28. Commitments

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associated companies and joint ventures (Note 16) are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Investment property	**4,572**	17,225	**-**	-
Property, plant and equipment	**3,739,833**	2,119,356	**3,732,896**	2,113,550

The Group's share of associated companies' and joint ventures' capital commitments was approximately $4,000,000 (2019: $1,400,000).

(b) Operating lease commitments – where the Group is a lessor

The Group and Company lease out retail and commercial spaces under non-cancellable operating leases. The future minimum lease receivables from operating leases to be received after the reporting date are as follows:

	Group	Company
	$'000	$'000
As at 31 March 2020		
Not later than one year	194,466	111,704
Between one and two years	142,164	49,452
Between two and three years	49,163	19,688
Between three and four years	31,768	17,864
Between four and five years	19,684	17,931
Later than five years	306,682	299,130
	743,927	515,769
As at 31 March 2019		
Not later than one year	117,912	26,065
Between one and five years	270,221	42,379
Later than five years	385,415	376,110
	773,548	444,554

29. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise the potential adverse effects from these exposures on the Group's financial performance. The Group uses financial instruments such as interest rate swaps and FX commodity swaps to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

(a) Market risk

(i) Currency risk

The Group has dominant operations in Singapore and Brazil. Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the United States Dollar ("USD") and Euro ("EUR"). The Group also has investments in foreign entities denominated in Russian Roubles ("RUB"), Indian Rupees ("INR") and Japanese Yen ("JPY").

If the USD and EUR had strengthened / weakened by 5% (2019: 5%) against the respective functional currencies of the Group with all other variables including tax rate being held constant, the effects on the net profit after tax or other comprehensive income would not be significant.

(ii) Price risk

The Group is not subject to significant price risk.

(iii) Interest rate risk

The Group's interest-bearing investments are in fixed deposits, with generally short-term maturities of around one year and fixed rate bonds issued by corporates, financial institutions and statutory boards that are held to maturity. Fixed deposits are placed with banks that offer the most competitive interest rate. On average, the interest rates of the fixed deposits are generally repriced every nine months.

29. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The Group is exposed to interest rate risk arising from its loans and borrowings. The Group manages a significant portion of these cash flow interest rate risks using floating-to-fixed interest rate swaps. The Group is also exposed to variations in inflation rates in Brazil, which affect the cash flows associated with the concession payable. If the inflation rate had been higher by 30% (2019: 30%), the effects on the net profit after tax would not be significant.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The major classes of financial assets of the Group and Company are trade and other receivables, other investments and bank deposits. For trade and other receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security deposits where appropriate to mitigate credit risk. The trade and other receivables exposure is continuously monitored and followed up by the Finance Department and relevant business units.

For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties and an exposure cap (limit) is set and approved for each of the counterparties. The financial counterparties' limits and their credit ratings are then continuously monitored by the Treasury team.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial assets presented on the balance sheets.

(i) Trade receivables

For trade receivables, the Group applies the simplified approach where lifetime ECLs are recognised from initial recognition of the receivables. In measuring the expected credit losses, trade receivables are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers the historical loss rates for each category of customers under each business and adjusts to reflect current and forward-looking macroeconomic factors which may affect the ability of the customers to settle the receivables.

The Group generally considers a financial asset to be in default if the counterparty fails to make contractual payments within 90 days when they fall due and without recourse.

29. Financial risk management (continued)

(b) Credit risk (continued)

(i) *Trade receivables* (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's and Company's credit risk exposures in relation to trade receivables as at 31 March 2020 are set out in the table below:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Past due 1 to 30 days	**10,092**	6,364	**6,425**	1,636
Past due 31 to 90 days	**1,092**	4,432	**-**	41
More than 90 days	**9,156**	16,687	**-**	160
	20,340	27,483	**6,425**	1,837

The Group recognised a credit loss allowance of $8,471,000 (2019: $4,993,000) and the Company recognised a credit loss allowance of $2,000,000 (2019: nil) in respect of trade receivables.

(ii) *Financial assets at amortised cost*

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group's investments in debt instruments are considered to be low risk investments as they are of investment grade credit rating with at least one major rating agency or are internally assessed to have high credit quality. The credit ratings of the investments are monitored for credit deterioration.

Cash and cash equivalents and other investments are subject to immaterial credit loss.

During the financial year, the Company made credit loss allowances on its loans to subsidiaries amounting to $161,135,000.

29. Financial risk management (continued)

(c) Liquidity risk

The Group and the Company adopt prudent liquidity risk management by maintaining sufficient cash and an adequate amount of credit facilities for their operating requirements.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
2020			
Trade and other payables	1,006,210	69,063	105,158
Loans and borrowings	101,253	1,664,633	470,569
Concession payable	18,231	645,319	10,479,372
Lease liabilities	79,227	303,096	1,340,123
2019			
Trade and other payables	1,171,812	62,843	82,476
Concession payable	24,453	378,594	13,859,256
Loan and borrowings	1,065,416	664,905	173,661

Company

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 Years $'000
2020			
Trade and other payables	787,777	54,969	89,822
Lease liabilities	79,227	303,096	1,340,123
2019			
Trade and other payables	929,658	50,738	82,477

29. Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses the derivative financial instruments of the Group for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 5 years
Group	$'000	$'000
2020		
Net-settled derivative financial instruments		
- Interest rate swaps	27	90
Net cash outflows	27	90
2019		
Net-settled derivative financial instruments		
- Interest rate swaps	12	-
Net cash outflows	12	-

(d) Capital risk

The Group's objective when managing capital is to ensure that the Group is adequately capitalised and to maintain an optimal capital structure so as to maximise shareholder value.

The Group is in compliance with all externally imposed capital requirements.

29. **Financial risk management** (continued)

(e) Fair value measurements

The table below presents assets and liabilities measured and carried at fair value, as well as assets and liabilities for which fair value disclosure is required, and for which the fair value differs from the carrying amount, classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) 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 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Group 2020	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Other investments	-	116,325	-	116,325
Investment property	-	-	1,600,000	1,600,000
Total assets	**-**	**116,325**	**1,600,000**	**1,716,325**
Liabilities				
Derivative financial instruments	-	111,941	-	111,941
Total liabilities	**-**	**111,941**	**-**	**111,941**

Group 2019	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Other investments	-	109,554	-	109,554
Derivative financial instruments	-	8,207	-	8,207
Investment property	-	-	1,600,000	1,600,000
Total assets	**-**	**117,761**	**1,600,000**	**1,717,761**
Liabilities				
Derivative financial instruments	-	137	-	137
Total liabilities	**-**	**137**	**-**	**137**

29. Financial risk management (continued)

(e) Fair value measurements (continued)

Company

2020	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Other investments	-	113,703	-	113,703
Total assets	**-**	**113,703**	**-**	**113,703**

Company

2019	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Other investments	-	109,302	-	109,302
Derivative financial instruments	-	8,207	-	8,207
Total assets	**-**	**117,509**	**-**	**117,509**

There were no transfers between levels 1, 2 and 3 during the year.

Valuation techniques used to derive Level 2 fair values

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The fair values of other investments and derivative financial instruments are calculated as the present value of the estimated future cash flows, and are determined by using counterparty quotes at the balance sheet date.

Valuation techniques used to derive Level 3 fair values

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment property categorised under Level 3 of the fair value hierarchy:

Description	Valuation technique	Key unobservable inputs	Relationship of unobservable inputs to fair value
Mixed-used development	Direct Capitalisation Method	Capitalisation rate	Higher capitalisation rate results in lower fair value
		Total estimated revenue	Lower total revenue results in lower fair value
	Discounted Cash Flow Method	Discount rate	Higher discount rate results in lower fair value
		Total estimated revenue	Lower total revenue results in lower fair value.

30. Immediate and ultimate holding entity

The Company's immediate and ultimate holding entity is the Minister for Finance, incorporated in Singapore.

31. Related party transactions

(a) In addition to the information disclosed elsewhere in the financial statements, the Group's significant transactions and balances with entities that are related parties to its ultimate holding entity are disclosed as follows:

	Group	
	2020	2019
	$'000	$'000
Revenue		
- Airport service fees	**245,284**	239,653
- Franchise fees	**79,892**	82,221
Expenses		
- Security related expenses	**145,000**	151,912
Receivables		
- Trade and other receivables	**30,343**	38,848
Payables		
- Trade and other payables	**14,359**	1,073

(b) Key management personnel compensation paid or payable amounted to $15,485,000 (2019: $18,760,000). Of this, $12,863,000 or 83% (2019: $13,597,000 or 72%) is attributable to short-term employee benefits such as directors' fees, employee salaries, bonus, leave entitlement and other benefits paid or payable within 12 months after the balance sheet date. The remaining expense is attributable to contributions to the Central Provident Fund and other long-term employee benefits.

32. Listing of significant companies in the Group

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2020 %	Equity holding 2019 %
Significant subsidiaries				
Held by the Company				
Changi Airports International Pte. Ltd. [(a)]	Investment holding and provision of consultancy services in the field of civil aviation	Singapore	**100**	100
Changi Travel Services Pte. Ltd. [(a)]	Sale of travel and tour-related products and packages	Singapore	**100**	100
Jewel Changi Airport Holdings Pte. Ltd. [(a)]	Investment holding	Singapore	**100**	100
Changi Airport Treasury Pte. Ltd.	Provision of financial services	Singapore	**100**	-
Held by the Group				
Changi Airport Consultants Pte. Ltd. [(a)]	Provision of airport-related consultancy services	Singapore	**100**	100
Changi Airport Planners and Engineers Pte. Ltd. [(a)]	Provision of professional engineering services in the field of civil aviation	Singapore	**100**	100
Changi Airports International Capital Pte. Ltd. [(a)]	Other investment holding	Singapore	**100**	100
Changi Airport Saudi Ltd. [(b)]	Provision of airport management and operations services	Saudi Arabia	**100**	100
Rio de Janeiro Aeroporto S.A [(c)]	Investment holding	Brazil	**100**	100
Concessionária Aeroporto Rio de Janeiro S.A [(c)]	Airport concessionaire	Brazil	**51**	51
Jewel Changi Airport Devt Pte Ltd [(a)]	Provision of development, project, and real estate management services	Singapore	**51**	51
Jewel Changi Airport Hotel Pte Ltd [(a)]	Hotel and F&B operations	Singapore	**51**	51
Jewel Changi Airport Trust [(a)]	Operation and management of mixed-use development	Singapore	**51**	51
Jewel Changi Airport Trustee Pte Ltd [(a)]	Provision of trustee-management services	Singapore	**51**	51
CTS Southeast Asia Pte. Ltd. [(a)]	Investment holding	Singapore	**100**	60
Changi Travel International Pte. Ltd. [(a)]	Investment holding	Singapore	**100**	100

32. Listing of significant companies in the Group (continued)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2020 %	Equity holding 2019 %
Significant associated companies and joint ventures				
Held by the Company				
Experia Events Pte Ltd [(c)]	Organising and management of conferences, exhibitions and other related activities	Singapore	**20**	20
Held by the Group				
Bengal Aerotropolis Projects Ltd [(c)] [(d)]	Development of airport and township projects	India	**30.2**	30.2
Transport AMD-2 Ltd [(c)]	Investment holding	Cyprus	**30**	30
OJSC International Airport Sochi [(c)]	Provision of airport and airport-related services	Russia	**30**	30
OJSC International Airport Krasnodar [(c)]	Provision of airport and airport-related services	Russia	**30**	30
OJSC International Airport Anapa [(c)]	Provision of airport and airport-related services	Russia	**30**	30
Terminal Vladivostok [(c)]	Provision of airport and airport-related services	Russia	**20**	33.3
Vladivostok International Airport [(c)]	Provision of airport and airport-related services	Russia	**18.5**	17.4
Fukuoka International Airport Co., Ltd [(c)]	Provision of airport and airport-related services	Japan	**21**	21

(a) Audited by PricewaterhouseCoopers LLP, Singapore.
(b) Audited by PricewaterhouseCoopers, Saudi Arabia.
(c) Audited by other firms
(d) BAPL has obtained financing from a consortium of banks. As required in the financing agreement, a subsidiary of the Group has undertaken not to sell, assign or transfer its shareholding in BAPL without prior approval of the banks.

33. Dividends

	Group and Company	
	2020	2019
	$'000	$'000
Final dividend paid in respect of the previous financial year (Note 27)	**271,623**	305,552

For the financial year ended 31 March 2020, no dividend (2019: $271,623,000) has been declared.

34. New or revised accounting standards and interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2020 for which the Group has not early adopted.

The Group does not expect the adoption of these mandatory accounting standards or interpretations to have a material impact on the financial statements.

35. Event subsequent to balance sheet date

In view of the steep decline in passenger traffic and the likelihood that weak air travel demand will persist in the near term due to COVID-19, the Group has taken measures to optimise resources for airport partners and itself by consolidating its Singapore terminal operations. Terminal 2 operations were suspended for 18 months from 1 May 2020, while Terminal 4 has been placed on standby from 16 May 2020 until air travel demand picks up and sufficient number of flights return to the terminal. In addition, the Minister for Transport has announced on 16 June 2020 that the construction of Terminal 5 will be paused for at least 2 years. These events had no material impact to the carrying values of the Group's assets as at 31 March 2020. Further disclosures of the impact of COVID-19 are disclosed in Note 3(i).

36. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Changi Airport Group (Singapore) Pte. Ltd. on 17 July 2020.