



A GLOBAL CRISIS, AN UNSHAKEN MISSION

Financial Year 2020/21 remained a difficult year for Changi Airport Group (CAG), as the Covid-19 situation around the world showed no signs of abating. Despite glimpses of recovery, the pandemic remained a threat around the world, with the global aviation industry faced with the challenge of a long-drawn battle with the disease.

Against this global backdrop, Changi Airport's passenger traffic continued to be dismal. Despite this, CAG has stayed resolute and focused on its mission to help Singapore stay connected to the rest of the world, safely and securely.

Besides adopting new procedures and measures to protect airport workers and passengers, CAG has responded to the situation with innovative solutions, such as touchless technology to keep passengers safe, and novel experiences to keep visitors engaged. All these, while it supports national efforts to re-open travel progressively and ensures that Changi Airport continues to play a vital role in the timely and effective transportation of global supplies during this time.

CAG has also shown its ingenuity and ability to adapt to a harsh operating environment with financial prudence, while continuing to serve passengers and customers, and supporting partners and staff. As the outlook for the near future remains uncertain, with countries easing border controls with much caution, the tenacity of CAG to hold fast to its mission will help Changi Airport emerge stronger and maintain its position as a global air hub.



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Mission, Vision and Values

Mission



To be the
**World's Leading Airport Company,
Growing a Safe, Secure and Vibrant Air Hub**
in Singapore and enhancing the communities we serve worldwide.

Vision



Exceptional People, Connecting Lives.

We aspire to build a company where ordinary people achieve exceptional results. We believe in the potential of our people. Working together as a team, we bring great ideas to life and achieve exceptional results beyond our individual capabilities.

Customers are our inspiration. From the youngest child to the largest corporation, we understand that what we provide connects people in ways that will enhance their lives.

Values



Our values guide us in everything we do. They are the foundation for our decisions and the heart of our organisation. Changi Airport Group is about world-class service, delivered through our passion and culture of excellence.

We value
Our People

We are the best in
Our Business

**Integrity is
at the Heart**
of everything
we do

We are committed to
Our Customers

We succeed with
Our Partners

Corporate Profile

Changi Airport Group (Singapore) Pte Ltd (CAG) was formed on 16 June 2009 and the corporatisation of Singapore Changi Airport (IATA: SIN, ICAO: WSSS) followed on 1 July 2009. As the company managing Changi Airport, CAG undertakes key functions focusing on airport operations and management, air hub development, commercial activities and airport emergency services. CAG also manages Seletar Airport (IATA: XSP, ICAO: WSSL) and through its subsidiary Changi Airports International, invests in and manages airports around the world.



Chairman & CEO message



Financial year 2020/21 has been the most difficult year in Changi Airport's history. As new waves of Covid-19 surged in many areas around the world, hopes of travel recovery were dampened by on-going closure of borders. As Singapore lacks a domestic air travel market, Changi Airport Group (CAG) has been especially hard hit.

With travel restrictions yet to be lifted in many countries, Changi's aircraft movements remained low and registered a decline of 80% year-on-year. Passenger traffic spiralled down 98% to 1.1 million, compared to the year before. In the troughs of April and May 2020, the number of passengers at Changi Airport stood at a mere 0.5% of pre-Covid levels.

The enormous turbulence caused by the global pandemic not only upended daily lives, but also disrupted economic activity. With much fewer travellers passing through, footfall at Changi's terminals as well as Jewel Changi Airport (Jewel), a 51% CAG joint venture, were adversely impacted. Concession sales at Changi Airport plummeted to S\$280 million, about 11% of the previous year's.

Overall, the Group's revenue fell by 78% to S\$697 million in 2020/21. The decline was due in part to the performance of its overseas business under wholly owned subsidiary, Changi Airports International (CAI), which was not spared from the impact of the virus. The company's key investment in Brazil's Tom Jobim International Airport continued to face challenging market conditions and reported a significant decline of 83% in passenger movement for the year.

Staying focused on our mission

Despite the tough operating environment, CAG held fast to its mission of ensuring that Changi Airport continued to connect Singapore to the rest of the world. We kept our sight on preserving the status of the Changi air hub, which is a critical lifeline of the Singapore economy.

During the year, CAG worked closely with the Singapore government to jumpstart air traffic by facilitating passengers visiting under reciprocal green lane and unilateral opening arrangements. It also swiftly set up dedicated Transit Holding Areas in the terminals, with robust health and safety protocols in place to enable transfers and transits at Changi Airport.

Together with the Singapore Tourism Board, we collaborated with industry partners to introduce travel insurance to arriving passengers. To facilitate business meetings in Singapore, CAG joined a consortium led by Temasek Holdings to launch Connect@Changi – a dedicated short-stay facility which allows business travellers to have physical meetings with local counterparts in a 'bubble-wrapped' setting and without the need for quarantine.

To help keep global supply chains uninterrupted, CAG increased the number of cargo flights at Changi to make up for the severe reduction in bellyhold capacity. CAG worked with the government to set clear guidelines for cargo conveyance on passenger aircraft. This opened the opportunity for over 60 passenger airlines to launch cargo-only passenger flights from Changi to over 80 cities. As a result, Changi's air cargo throughput saw a less significant drop of 23% compared to

the previous year, with the airport handling over 1.5 million tonnes of airfreight in 2020/21.

As the development of Covid-19 vaccines progressed, CAG took steps to prepare the Changi air cargo community for the major logistical task of distributing the highly temperature-sensitive vaccines. Through the formation of a Changi Ready Taskforce, which CAG co-led with the Civil Aviation Authority of Singapore (CAAS), the airport was able to strengthen its unbroken cold chain capabilities to provide the safe, reliable and efficient transportation of Covid-19 vaccines into Singapore and the region.

Transforming Changi Airport's operations

Although air travel demand is not expected to return to pre-Covid levels any time soon, CAG was not at a standstill. During the year, we worked tirelessly with the airport community to transform Changi Airport's operations, with the implementation of safe processes to meet new travel regulations and yet provide passengers a smooth travel experience despite the pandemic.

Passenger flows within the terminals were quickly adjusted to prevent risks of virus transmission. Arriving passengers were segregated according to the government's prevailing country risk assessment. They all had to proceed directly for a Covid-19 on-arrival test (OAT) and thereafter to their Stay-Home Notice (SHN) accommodation if required. Those from very high-risk countries were escorted from the point of disembarkation until they boarded the dedicated transport to their SHN accommodation.

The mandatory OAT of passengers was conducted at facilities set up by CAG's operations team in the terminals. The team also developed a web portal service – Safe Travel Concierge – for passengers to conveniently pre-book and pay for the test ahead of their arrival. In addition, the portal enables them to check that they have met all the entry requirements prior to departure for Singapore.

To give passengers greater assurance of a safe travel journey, CAG also introduced a contactless self-service check-in process with the use of infrared proximity sensors at the automated check-in kiosks and automated bag-drops across Changi's terminals and Jewel. This is complemented by biometric systems implemented at the immigration checkpoints where facial and iris recognition are now used to verify travellers' identity instead of fingerprint scanning.

Working alongside the Ministry of Transport and CAAS, CAG also put in place multiple risk-based measures to protect airport workers, including the segregation, vaccination and regular testing of airport workers in close consultation with the Ministry of Health. Airport workers are also provided with suitable personal protective equipment and training.

We note the emergence of a Covid-19 cluster at Changi Airport in May 2021. This outbreak was unexpected and a disappointment, but it has spurred us to implement additional measures to further strengthen the airport's defences against the transmission of the virus. These efforts, which include ensuring the continued welfare of our frontline workers, are on-going and we will provide a full reporting

Chairman & CEO message

of the various measures undertaken in our next annual report.

Pivoting our commercial business

With Covid-19 turning more consumers to online shopping, CAG focused on serving the retail needs of travellers through Changi's e-commerce platform – iShopChangi.com. During the year, iShopChangi also switched from a purely buy-and-fly business model to one that actively targets the domestic market as well. This enabled Singapore residents to enjoy tax-absorbed shopping, without flying. In keeping with Changi's commitment to deliver the best retail experiences, the Changi Shopping Concierge was introduced to offer personalised shopping services through WhatsApp. To keep customers engaged, airside shopping tours with safe management measures were conducted for members of the Changi Rewards loyalty programme.

At the landside, Terminal 3 Basement 2 was revitalised with new brands and pop-up retail stores to add buzz. A concerted effort was also made to launch innovative marketing initiatives to help drive sales for the airport's tenants. When food and beverage operators were badly hit from the restrictions imposed by the Singapore government on dining in, CAG started a new delivery service called Changi Eats to serve locals at home with the extensive offerings from Changi's terminals and Jewel.

Throughout this time, we remained committed to helping our airport tenants ride out the storm by offering them additional rebates and rental waivers beyond the financial assistance provided under the government's aviation

sector assistance package. We also helped to identify retraining and redeployment opportunities for their staff.

Ensuring operational safety and excellence

As CAG sought to transform Changi Airport's operations, it continued with the critical development plans necessary to prepare the airport for the future. During the year, Changi's Runway 3 was opened for civil operations as part of long-term plans to support the Singapore air hub with a three-runway system.

For emergency preparedness, a crisis exercise simulating an aircraft land crash at the new Runway 3 terrain was conducted. Due to Covid-19 restrictions, an inaugural Airport Emergency Plan webinar was held for all airlines and ground handling agents, along with a virtual table-top exercise. CAG also creatively deployed mannequins and casualty tags in place of role players for the ground deployment exercise. At Seletar Airport, a similar virtual table-top crisis exercise was held.

In the pursuit of operational excellence, CAG adopted and trialled various innovative technologies in 2020/21 to strengthen airside operations and management. This included the use of video analytics and vehicle tracking to provide greater on-ground visibility for real-time operational management. A new airfield lighting control system was also rolled out to enable air traffic controllers to better manage flights in low-visibility conditions. Training for airfield drivers was stepped up with simulators adopting virtual reality technology to increase training realism. In addition, geo-

fencing technology was introduced to better guide airfield drivers on the taxiways.

Preserving Changi's bond with Singaporeans

In these difficult times, CAG drew strength from the support of Singaporeans for Changi Airport. To maintain the airport's special bond with them, we have endeavoured to delight locals with new Changi experiences.

The Changi Airport Connector, which links the airport to East Coast Park and Singapore's park connector network, was launched in October 2020. The connector includes the Changi Jurassic Mile, Singapore's newest and largest permanent outdoor display of life-sized dinosaurs, as well as Hub & Spoke, a new pit-stop with a café, bicycle rental shop and shower facilities.

For its year-end festivities, CAG presented the inaugural Changi Festive Village, which offered a slew of interactive play activities and a shopping carnival spanning the airport terminals and Jewel. From 'glampcations' in Jewel to dinosaur displays in Terminal 3 and night go-karting at Terminal 4, visitors had no lack of choice for a fun-filled local holiday at Changi without going overseas.

Sustaining business operations

In taking bold steps to invest in the recovery of travel and the future of Changi Airport, CAG was mindful of adopting financial prudence for business sustainability in a prolonged downturn. Across the Group, manpower rationalisation and in-sourcing were undertaken to further reduce operating costs. This was coupled with a company-wide salary reduction and hiring freeze.

To optimise resources, Changi Airport's terminal operations were consolidated with the suspension of Terminals 2 and 4 in May 2020. In 2020/21, CAG also took a pause on the development of the new Terminal 5 to allow for a major review to be conducted on the pandemic's impact on the aviation sector. The review will study how current designs could be adapted to meet potential new requirements arising from the pandemic.

Overseas, our international arm, CAI, sought to maintain a stronger cash position by moving towards an asset-light business model, pursuing longer term operations and management projects, as well as commercial joint ventures. During the year, CAI clinched a five-year commercial partnership with Guangzhou Baiyun International Airport and several other contracts in China. It also continued to adopt a disciplined approach to its expansion and assess projects on risk-adjusted returns.

Strengthening financial resilience

With stringent cost-cutting measures and strong support from government authorities through various forms of Covid-19 reliefs, the Group's operating expenses (excluding depreciation and amortisation charges) fell by 52% to S\$737 million and a positive EBITDA of S\$178 million was achieved in 2020/21. With cash burn reduced, the Group's liquidity position remained healthy at S\$1.82 billion as at 31 March 2021.

To strengthen its liquidity position, CAG raised S\$500 million through a 10-year bond issuance priced at 1.88% per annum in May 2021. A revolving credit facility of S\$2 billion was also secured in April 2021 to serve as a standby source of liquidity.

Overall, the Group recorded a net loss attributable to shareholder of the Company of S\$954 million, driven by weaker performance due to the Covid-19 pandemic, as well as non-cash impairment and depreciation charges. Total equity attributable to the shareholder of the Company was S\$6.9 billion, a decline of 12%.

Building a firm foundation in our people

In response to the rapidly changing aviation landscape, our people have had to adopt new ways of working and develop new skillsets to design and execute transformative projects. To support their growth and development, various programmes were launched to build their learning capacity and agility, as well as prepare them for the digital future of work. With work-from-home being the default for most of the year, CAG ensured that every employee had continued access to quality learning resources online.

During the year, a new initiative which enabled employees to seek short-term attachments outside of their regular portfolio was introduced to grant them exposure to different areas of the business. The Project Starship programme has been a leap forward in strengthening cross divisional collaboration.

A silver lining

Covid-19 looks set to remain for some time as the virus continues to evolve. As we navigate through this uncertain period, we wish to thank the Singapore government and its agencies (including the Ministry of Transport and CAAS), and our shareholder for lending their very strong support to the aviation community.

We also thank our Board members for providing their strategic counsel to the Group. We take this opportunity to express our appreciation to outgoing Board member Eric Ang for his contribution over the years, and welcome Mark Yeo to the Board.

We wish to pay a special tribute to Liew Mun Leong who stepped down as Chairman and Board Director of the Group in September 2020. As the founding Chairman of CAG since 2009, Mr Liew played a pivotal role in paving the way for Changi to operate more flexibly to meet the challenges of a highly dynamic aviation environment. His vision and passion for Changi remains an inspiration to the people of CAG and the airport community today.

We also thank our airport partners for their resolute partnership, and every member of the Changi community for bravely facing the daunting challenges with positivity and resilience. We are confident that we will be able to rise from the current setback, with the right measures in place to prepare for recovery.

As countries across the globe step up on vaccinations, and with emerging testing technologies promising to be more affordable and delivering faster results, there is good reason to believe that travel will resume in a matter of time. When that happens, Changi Airport will be ready to give passengers the confidence to fly again.

Tan Gee Paw
Chairman

Lee Seow Hiang
Chief Executive Officer

Board of Directors

Our Board of Directors oversees the Group's long-term strategy, providing management guidance for continuing and steady growth, while protecting the interests of stakeholders and employees.



Tan Ching Yee



Lim Zhi Jian



Michael George
William Barclay



Kelvin Fan



Chng Sok Hui



Kwa Kim Li





Tan Gee Paw



Lee Seow Hiang



Professor
Tan Kong Yam



Ng Chee Khern



Chia Song Hwee



Wahab Yusoff



Kee Teck Koon



Mark Andrew Yeo



Board of Directors

Tan Gee Paw

Chairman

Mr Tan Gee Paw is the non-executive chairman of CAG. 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, Ministry of Transport (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.

Lee Seow Hiang

Executive Director and CEO

Mr Lee is the CEO of CAG. 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, Airports Council International (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.

Tan Ching Yee

Mrs Tan is a Non-Executive Director of CAG. 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 of Science in Management from the Graduate School of Business, Stanford University.

Lim Zhi Jian

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 Master in International Policy from Stanford University and a Master in Public Administration Edward S. Mason Program from the Harvard Kennedy School.

Michael George William Barclay

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

Mr Barclay is the Group CEO and Executive Director 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 zoological parks – Jurong Bird Park, Night Safari, River Safari and Singapore Zoo. He also serves as Chairman of Mandai Global and as a Non-Executive Director of Mandai Nature.

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 the regional airline 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.

Professor Tan Kong Yam

Professor Tan is a Non-Executive Director of CAG. 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 CapitaLand China Trust (CLCT).

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

Board of Directors

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, DC.

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

Ng Chee Khern

Mr Ng is a Non-Executive Director of CAG. 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 RSAF from 2006 to 2009. Mr Ng was also a board member of Civil Aviation Authority of Singapore (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.

Chia Song Hwee

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

Mr Chia is the Deputy Chief Executive Officer at Temasek. In February 2021, he was appointed to the board of A*STAR (Agency for Science, Technology and Research). Mr Chia also serves as a member of Singapore's Advisory Council on the Ethical Use of AI and Data, established by the Infocomm Media Development Authority (IMDA) since 2018.

Prior to joining Temasek 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 and CEO of Chartered from 2002 to 2009. Mr Chia also held various management positions at Chartered, including Senior Vice President, Chief Financial Officer, and Chief Administrative Officer. Prior to Chartered, Mr Chia was Regional Controller for Asia, Australia, and the Middle East for the drilling group of Schlumberger, a global oilfield services group.

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

Kelvin Fan

Brigadier General (BG) Fan is a Non-Executive Director of CAG. He was appointed to the Board on 15 August 2018.

BG Fan is currently the Chief of Staff – Joint Staff/SAF Inspector General in the SAF. 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).

Chng Sok Hui

Mrs Chng is a Non-Executive Director of CAG. 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 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 Institute of Banking and Finance Singapore 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).

Kwa Kim Li

Ms Kwa is a Non-Executive Director of CAG. 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.

Ms Kwa graduated in 1979 from the National University of Singapore and was called to the Singapore Bar in 1980. She is still presently still in active legal

practice with the law firm. 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 holds various positions outside her legal practice, including directorships in Jurong Town Corporation and Mapletree Commercial Trust. In the health sector, she is Trustee of the Singapore Cardiac Society. She formerly served on the Boards of Singapore Chinese Girls' School, National University Health System, Lee Kuan Yew School of Public Policy, Sentosa Development Corporation and HSBC Bank (Singapore) Limited.

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

Wahab Yusoff

Mr Wahab is a Non-Executive Director of CAG. 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

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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 Computer Systems, South Asia's Vice President and General Manager from 2003 to 2009.

Mr Wahab is presently a Board Director of Workforce Singapore (WSQ), EZ-Link Pte Ltd and Rekanext Capital Partners Pte Ltd (a venture capital fund focused on ASEAN pre-series start-ups). He is also a member of Singapore's Future Economy Council and Kaplan Industry Advisory Board (IT and Engineering).

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

Kee Teck Koon

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

Mr Kee is the Deputy Chairman of NTUC Income Insurance Cooperative Limited and the 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 presently a Director of CapitaLand Investment Limited and a Non-Executive Director of Mandai Park Holdings Pte Ltd, NTUC Fairprice Co-operative Limited, CapitaLand Limited and Raffles Medical Group Ltd. Mr Kee also is also a member of Angsana Fund Investment Committee, Singapore Labour Foundation.

His previous notable appointments include being appointed as the Executive Director of NTUC Enterprise Co-operative Limited from January 2017 to September 2019 as well as the Non-Executive Chairman of CAI from September 2012 to December 2019.

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 organisations before joining the CapitaLand Group in 2003. He spent 13 years in various senior leadership positions at CapitaLand and retired as its Chief Investment Officer in July 2009. His other senior roles at 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.

Mark Andrew Yeo

Mr Yeo is a Non-Executive Director of CAG. He was appointed to the Board on 1 April 2021.

Mr Yeo is a Director on the Board of CAI since December 2018 and was subsequently appointed the Chairman of CAI's Board on 16 December 2019. Mr Yeo also sits on the Board of Keppel Infrastructure Trust, a position he has held since 2015. Prior to his current appointments, Mr Yeo held non-executive directorship on the Boards of Cityspring Infrastructure Trust, Singapore Cruise Centre and Singapore Expo/Singex.

Mr Yeo has held various senior banking positions working on the infrastructure sector in Asia, Europe and Latin America mainly doing project finance advisory. He was based both in Singapore and London. Thereafter, he held several leadership positions in corporates in Asia and the Middle-East. He started his career in the Singapore civil service.

Mr Yeo graduated with a Master of Arts from the University of Oxford and a Master of Laws from the National University of Singapore. He also attended the Advanced Management Programme with INSEAD.

Executive Management Team



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1 Lee Seow Hiang
Chief Executive Officer

2 Lim Peck Hoon
Executive Vice President,
Commercial

3 Ng Lai Leng
Chief Financial Officer
Executive Vice President,
Corporate;
Executive Vice President,
Enterprise Performance &
Development

4 Tan Lye Teck
Executive Vice President,
Airport Management

5 Yam Kum Weng
Executive Vice President,
Airport Development

6 Eugene Gan
Chief Executive Officer,
Changi Airports International

Management Team*

Changi Airport Group

Ang Siew Min

Senior Vice President,
Development Operations

Chan Boon Seng

Group Project Director,
Changi East Construction

Chua Siew Hwi

Senior Vice President,
Enterprise Performance

Chung Choon San

Group Project Director,
Changi East Construction

Goh Hwai Kar

Senior Vice President,
People Services & Rewards

Jayson Goh

Managing Director,
Airport Operations Management

Hung Jean

Chief Executive Officer,
Jewel Changi Airport Development

Koh Miaw Ling

Senior Vice President,
T5 Building

Koh Ming Sue

Managing Director,
Engineering & Development

Leck Siew Leng

Senior Vice President,
Internal Audit

Alvin Lee

Chief,
Airport Emergency Service

Audrey Lee

Group Senior Vice President,
Regulatory & Economic Affairs

Jacqueline Lee

Senior Vice President,
Changi East Programme
Management Office

Leong How Yin

Group Project Director,
Changi East Planning,
Design & Construction

Leong Kok Hoong

Senior Vice President,
Development Contracts
& Cost Control

Leong Yuh Khee

Senior Vice President,
Corporate IT & Technology

Leslie Pakianathan

Project Director,
Tunnel Construction Management

Lim Ching Kiat

Managing Director,
Air Hub Development

Albert Lim

Senior Vice President,
Passenger Experience

Ling Ming Koon

Senior Vice President,
Airport Operations
Planning & Strategy;
Senior Vice President,
Airsides Operations

Jeffrey Loke

Senior Vice President,
Pricing & Commercial Strategy

Jessie Loong

Senior Vice President,
Legal & Compliance

Matthew Ngan

Senior Vice President,
Changi East Mechanical & Electrical

Ong Chee Chiau

Group Senior Vice President,
Changi East T5 Planning

Ong Sim Lian

Group Senior Vice President,
Design Management

Tan Boon Seng

Project Director,
Project Control

Ivan Tan

Group Senior Vice President,
Corporate & Marketing
Communications

Tan Kok Siong

Project Director,
Changi East Construction

Justina Tan

Managing Director,
People

Teng Hwee Onn

Senior Vice President,
Engineering Management
& Systems Planning

Teo Chew Hoon

Group Senior Vice President,
Airsides Concessions

Wen Dazhi

Senior Vice President,
Tunnel Design Management

Ivy Wong

Senior Vice President,
Enterprise Strategy & Development

Yeo Kia Thye

Managing Director,
Airport Operations
Planning & Airside

Changi Airports International (Management Committee)

Sher Khan

Managing Director,
Changi Airport Consultants

Peter Lee Chung Shek

Managing Director,
Changi Airport Planners & Engineers

Brenda Leng

Director & Head,
Human Resources

Lim Wee Ping

Managing Director,
Strategy & Planning

Ng Kuan Luen

Director,
Portfolio Strategy

Oon Wei Ying

Director,
Risk Management

See Ngee Muoy

Managing Director,
Legal & Compliance

Tan Ee

Chief Financial Officer

* As at 16 June 2021.

Financial Review

Financial Highlights

	FY16/17	FY17/18	FY18/19	FY19/20 ²	FY20/21
Profit & Loss (S\$'mil)					
Total revenue	2,305	2,602	3,040	3,119	697
Total expenses	1,401	1,649	2,120	2,252	1,433
EBITDA ¹	1,208	1,310	1,466	1,637	178
Profit / (Loss) attributable to shareholder of the Company	662	849	677	438	(954)
Financial Position (S\$'mil)					
Assets	9,260	14,894	15,108	15,948	15,301
Liabilities	2,223	6,457	6,647	7,818	8,469
Cash and marketable securities	2,694	2,164	1,866	2,528	1,815
Equity attributable to shareholder of the Company	7,044	7,600	7,839	7,887	6,916
Financial Ratios					
EBITDA margin	52.4%	50.3%	48.2%	52.5%	25.5%
NPAT margin	28.5%	32.1%	18.9%	4.8%	n.m.
Return on equity	9.6%	11.6%	8.8%	5.6%	-12.9%

¹ EBITDA (Earnings before interest, taxes, depreciation and amortisation) include a portion of "Other income and losses-net" amounting to S\$218 million (FY2019/20: S\$40 million) relating to Covid-19 grants and reliefs received from the Singapore and Brazilian government authorities.

² The Group has adopted Singapore Financial Reporting Standards (International) (SFRS(I)) with effect from 1 April 2019. In accordance with the transition requirements, FY19/20 comparatives and balances as at 31 March 2020 have been restated.

n.m.: Not meaningful

Financial Review

Group operating revenue

Global travel restrictions resulting from the Covid-19 pandemic adversely impacted the performance of Changi Airport Group (Singapore) Pte Ltd (CAG) and its subsidiaries (the Group). Both Changi Airport as well as Tom Jobim International Airport in Rio de Janeiro, Brazil, a 51% owned subsidiary of the Group, saw significant declines in passenger traffic movements of 98% and 83%, respectively, compared to the previous financial year. Some airports in the Group's overseas portfolio in Russia and China were less impacted due to strong rebound in domestic passenger traffic. Jewel Changi Airport (Jewel), a joint venture between CAG and CapitaLand, saw lower footfall as visitor numbers fell after the onset of the Covid-19 pandemic.

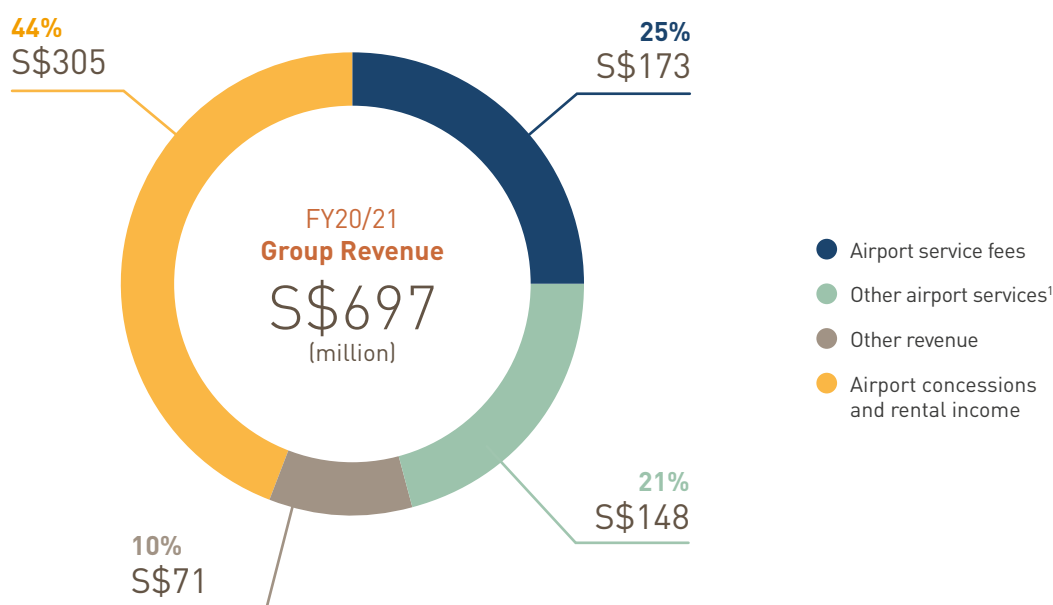
Overall, the Group's revenue declined by 78% year-on-year (y-o-y) to S\$697 million in financial year 2020/21. The Group's revenue from airport services declined by 86% y-o-y while revenue from airport concessions and rental income fell by 80% y-o-y. The decline in the Group's revenue was partially mitigated by higher revenue from the cargo segment and efforts to grow e-commerce and other new revenue streams.

While passenger movements in Changi Airport plunged, demand for cargo remained strong as

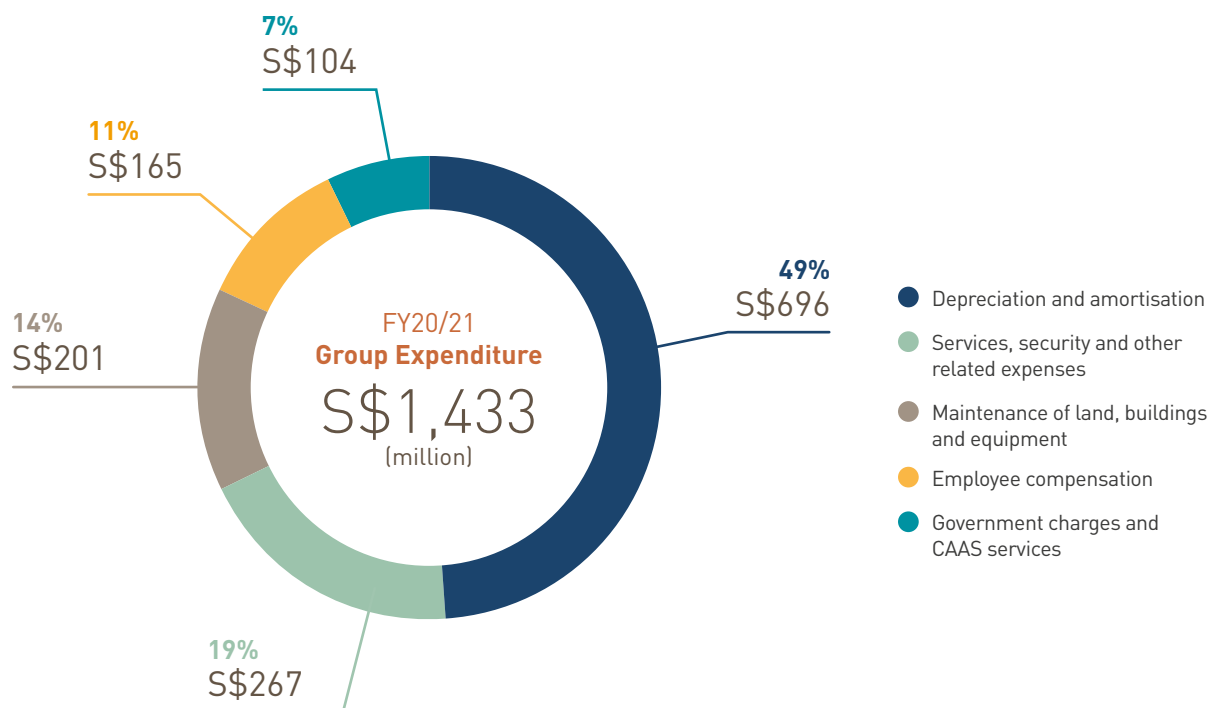
countries sought to restore supply chains. By March 2021, cargo throughput in Changi Airport had almost rebounded to pre-Covid levels as the reduction of bellyhold cargo capacity led airlines to increase frequencies of cargo-only flights.

Prior to 2020, Changi Airport had already been pivoting its business strategy to serve the non-travellers market and finding ways to deepen engagement with customers online. In April 2020, iShopChangi, Changi's e-commerce platform, extended tax-absorbed shopping to non-travellers in Singapore, converting its buy-and-fly model for travellers to a marketplace for domestic buyers as well. This timely move allowed airport retailers a chance to continue trading during a period of travel restrictions.

Various other initiatives were undertaken during the financial year to drive new revenue streams. In August 2020, CAG launched Changi Eats, its food delivery service to support tenants. The service allows customers to order from up to five different food and beverage outlets from both Changi Airport and Jewel. In October 2020, CAG started organising shopping tours in the transit area. This helped to generate sales for tenants and allowed Changi to acquire a new customer base.



¹ Other airport services mainly comprise cargo services, franchise fees, utility charges, consultancy fees, carpark revenue and other sundry income.



Group operating expenses

The Group's operating expenses declined by 36% y-o-y to S\$1,433 million. A significant portion of operating expenses amounting to \$696 million comprised depreciation and amortization. Excluding depreciation and amortization, the Group's operating expenses fell by 52% to S\$737 million.

The Group had undertaken stringent cost-cutting measures since the start of the Covid-19 pandemic.

At Changi Airport, operations in Terminal 2 (T2) and Terminal 4 (T4) have been suspended since May 2020. The pause allowed for T2's expansion works to be accelerated. Service contracts were also extensively renegotiated to commensurate with lower passenger traffic. These measures, coupled with a company-wide salary reduction and hiring freeze, and support from the government, enabled Changi Airport to reduce its operating expenses by about 56%. Partial closure of terminal areas in Tom Jobim International Airport was also implemented to reduce outsourced services and utilities, lowering its operating expenses by 49% y-o-y.

Despite cost-cutting measures, the safety of passengers and staff remained the Group's priority.

Frequent cleaning and disinfection was carried out across terminals at both Changi and Tom Jobim airports, as well as Jewel. Parts of T4 were converted into the nation's largest vaccination centre to support the national vaccination programme. This enabled the vaccination of aviation workers, air crew and other front-line workers to be carried out swiftly. At Jewel, various precautionary measures were implemented to ensure high levels of cleanliness and hygiene. Additional resources were deployed on the ground to ensure that visitors adhered to safe distancing measures as it ramped up promotional activities to drive sales.

EBITDA and net loss

With stringent cost-cutting measures and strong support from government authorities through various forms of Covid-19 relief and waivers, the Group achieved a positive EBITDA of S\$178 million in 2020/21. This support included grants from the Jobs Support Scheme and property tax rebates provided by the Singapore government, as well as a short-term financial rebalancing credit from the Brazilian government.

Notwithstanding the impact of Covid-19, some assets in Changi Airports International's (CAI)

Financial Review

overseas portfolio in Russia and China outperformed expectations and remained profitable due to strong rebound in domestic passenger traffic in the second half of 2020, recovering to almost pre-Covid levels.

Overall, the Group recorded a net loss attributable to shareholder of the Company of S\$954 million, driven by weaker performance due to the Covid-19 pandemic as well as non-cash impairment, depreciation and amortisation charges.

With passenger movements significantly reduced arising from the pandemic, Tom Jobim International Airport operations and results were adversely impacted. Due to the prolonged impact of Covid-19 outbreak and delayed recovery in air traffic, an independent consultant was commissioned to perform an impairment assessment on its intangible assets, primarily its concession right to operate and manage the airport. Based on the assessment, the airport recorded a non-cash impairment charge of S\$442 million, of which the Group's 51% share was S\$225 million.

Financial position

As at 31 March 2021, the Group's asset base remained strong at S\$15.3 billion. More than half or 58% of the Group's total assets were made up of property, plant and equipment and investment property. Intangible assets of S\$2.9 billion, which made up 19% of the Group's total assets, comprised mainly the Group's concession right to operate and manage Tom Jobim International Airport until 2039. A corresponding concession payable of S\$2.6 billion represented the Group's payment obligations to the Brazilian national agency of civil aviation for the concession right.

Total equity attributable to shareholder of the Company was S\$6.9 billion, reflecting a decline of 12% due to the impact of the Covid-19 outbreak. The various cost-cutting measures undertaken by the Group, coupled with the strong support from government authorities, helped the Group reduce its

cash burn. As at 31 March 2021, the Group's liquidity position remained healthy at S\$1.8 billion. The Group will continue to exercise discipline in cost and cash management and adopt new ways of working to achieve operational and cost efficiencies for long-term sustainability.

To further strengthen its liquidity position, subsequent to 31 March 2021, CAG raised S\$500 million through a 10-year bond issuance priced at 1.88% per annum on 4 May 2021. A committed revolving credit facility of S\$2 billion was also secured to serve as a standby source of liquidity.

As at 31 March 2021, the Group's total outstanding loans and borrowings amounted to S\$1.8 billion, of which S\$1.5 billion would not be due for repayment within the following 12 months.

Outlook

Despite the resurgence of Covid-19 infections in many parts of the world, many countries are seeking to restore global connectivity and accelerate the pace of Covid-19 vaccination, providing hope for recovery of air travel.

In Singapore, while air travel demand is not expected to return to pre-Covid levels in the near term, CAG will continue to work with the airport community to put in every effort possible to transform its airport operations and concessions business to meet the travel demands of a Covid-19 new normal when borders reopen in a safe and calibrated manner. The well-being of airport workers, as well as the safety of passengers and visitors, remain a key priority for CAG as it works to preserve the status of the Changi air hub, a critical lifeline of the Singapore economy.

Overseas, to maintain a stronger cash position, the Group will move towards an asset-light business model, pursuing longer-term operations and management projects, as well as commercial joint ventures.

Corporate Governance

The Board and Management of CAG ('the Company') are deeply committed to our Company's core value – integrity – which is at the heart of everything we do. We strive to meet and maintain the highest standards of corporate governance, professionalism and integrity, to build a company our stakeholders can be proud of. To operate a sustainable business over the long term and to uphold and protect the Company's brand and reputation, we strongly believe in being accountable to our immediate business and regulatory environment, as well as to the global community.

The Company's Code of Conduct sets out the principles and standards of conduct that it expects of all employees in their day-to-day activities and in the decisions they make. The Company also promotes a 'speak up' culture through its whistle-blowing policy, which is intended to detect and deter unethical or illegal conduct, while protecting whistle-blowers from retaliation.

The Board of Directors

1. The Company's Board of Directors is our highest decision-making body. It oversees the Company's long-term strategies and provides guidance to Management for the long-term performance and financial soundness of the CAG Group ('the Group'), while safeguarding the interests of stakeholders.

Composition and balance

2. Headed by Non-Executive Chairman, Mr Tan Gee Paw, the Board currently comprises 14 Directors. Mr Tan succeeded former Chairman, Mr Liew Mun Leong, who retired on 10 September 2020. Mr Lee Seow Hiang, our CEO, is the only executive member of the Board. The majority of our Board members are independent. Our Directors are individuals with broad and diverse expertise and experience.
3. The Board Directors of the Company are:
 - i. Mr Tan Gee Paw – Chairman (appointed on 23 October 2020)
 - ii. Mr Lee Seow Hiang – CEO
 - iii. Mrs Tan Ching Yee – Shareholder Representative (Mr Lim Zhi Jian is her alternate)
 - iv. Mr Michael George William Barclay
 - v. Professor Tan Kong Yam
 - vi. Mr Ng Chee Khern
 - vii. Mr Chia Song Hwee
 - viii. BG Kelvin Fan
 - ix. Mrs Chng Sok Hui

- x. Ms Kwa Kim Li
- xi. Mr Wahab Yusoff
- xii. Mr Kee Teck Koon
- xiii. Mr Mark Andrew Yeo

The profiles of the current Directors can be found on pages 8 to 14 of this annual report. Changi Airports International Pte Ltd (CAI), a wholly-owned subsidiary of the Company, has a separate Board of Directors, the majority of whom are also independent.

4. The roles of the Chairman and the CEO are separate and distinct. The Chairman leads the Board and facilitates effective and comprehensive Board discussions and decision-making on strategic issues, while the CEO has full executive responsibility for the management of the Company's businesses and implementation of the Group's strategies and policies.
5. Ten committees have been formed to assist the Board in the detailed consideration of various matters. These are the Executive Committee (EXCO), Executive Resource and Compensation Committee (ERCC), Audit Committee (AC), Tenders Committee (TC), Executive Committee on Airport Development (ECAD), Operational Risk and Safety Committee (ORSC), Nominating Committee (NC), Capital Management Committee (CMC), Technology Development Committee (TDC) and Terminal 5 Negotiations Committee (T5NC). Each committee is governed by its own terms of reference, which sets out the scope of the committee's authority, duties and responsibilities. Ad-hoc committees¹ are also formed from time to time to review specific issues.
6. The Board meets at least four times a year.

Access to information

7. Prior to each Board Meeting and when necessary, the Board is provided with pertinent information – including updates on the Company's operating and financial key performance indicators, regulatory, industry and other significant developments relating to the Group – to enable the Board to make informed and sound decisions. The Board has full access to the Senior Management team and the Company Secretary. Should the Directors require independent professional advice on matters relating to the businesses or issues affecting their duties, the Company will, at its expense, arrange for the appointment of relevant professional advisors.

1 The T5NC is an ad-hoc committee, established to oversee the negotiation process and recommend the final terms and quantum of compensation associated with the demobilisation of the Terminal 5 design and engineering consultants arising in relation to the delays and changes brought by Covid-19. It consists of one Director (Mr Kee Teck Koon, Chairman) and two non-voting co-opted members (Ms Patricia Chia and Mr Lee Chuan Seng).

Corporate Governance

Capital & investments

1. The EXCO comprises the following Directors:
 - i. Mr Tan Gee Paw – Chairman (appointed on 5 October 2020)
 - ii. Mrs Tan Ching Yee
 - iii. Mr Chia Song Hwee (appointed on 21 October 2020)
 - iv. Professor Tan Kong Yam (appointed on 21 October 2020)
 - v. Mr Lee Seow Hiang
2. The EXCO reviews and recommends to the Board financing and investment strategies of the Group and approves significant investments by the Company and CAI. The EXCO also approves treasury matters such as the acceptance of banking and credit facilities, granting of corporate guarantees, debt capital market issuances, opening of bank accounts as well as hedging policies. The EXCO also sets the financial limits for the operational, procurement and treasury activities of the Company.
3. The Company had expected to take on significant debt in the coming years to finance the development of Changi East. To that end, the CMC was established at the end of 2018 to provide specific oversight in the area of capital management. However, in light of the pause in the development of Changi East, a decision was taken to suspend the CMC on 21 October 2020.
4. The suspended CMC comprises the following Directors:
 - i. Mr Chia Song Hwee – Chairman (appointed on 21 October 2020)
 - ii. Mr Lim Zhi Jian
 - iii. Mrs Chng Sok Hui
 - iv. Mr Lee Seow Hiang
5. It was intended that the CMC would review and recommend to the Company's Board and/or EXCO the financing strategies and plans of the Company (debt capital market issuances and bank facilities), as well as guide and advise Management on the financing execution strategy.

Executive resource and compensation

1. The ERCC comprises the following Directors:
 - i. Mr Tan Gee Paw – Chairman (appointed on 5 October 2020)
 - ii. Mr Chia Song Hwee
 - iii. Mr Kee Teck Koon (appointed on 21 October 2020)
2. The ERCC supports and advises the Board on remuneration matters, leadership succession and development. The responsibilities of the ERCC include:
 - i. reviewing and approving the policy for determining

- ii. executive remuneration, including the remuneration packages, service contract terms and benefits programme for key management executives;
- ii. approving the appointment of key management executives, overseeing their development and reviewing succession plans to ensure a strong pipeline of talent to enable the continued success of the Company; and
- iii. recommending the remuneration framework, including fees for non-executive Directors.

Accountability and audit

Accountability

1. Management provides all members of the Board with reports on operating and financial information and key performance indicators on a quarterly basis and as the Board may require from time to time, to enable the Board to make balanced and informed assessments of the Company's performance, position and prospects.

Audit Matters

2. The AC comprises the following Directors:
 - i. Mrs Chng Sok Hui – Chairman
 - ii. Mrs Tan Ching Yee
 - iii. BG Kelvin Fan (appointed on 21 October 2020)
3. The main responsibilities of the AC are to assist the Board in discharging its statutory and other responsibilities relating to the Company's internal controls, financial and accounting matters, compliance, and business and financial risk management.
4. The AC is responsible for reviewing the effectiveness of financial, compliance and risk management frameworks, as well as the robustness of the reporting and disclosure processes. The AC also reviews the adequacy of whistle-blowing arrangements implemented by the Company through which employees, partners, suppliers and contractors can raise concerns in confidence about possible improprieties in matters of financial reporting or other matters. All whistle-blowing complaints are reviewed by the AC to ensure independent and thorough investigation, and adequate follow-up and resolution of the matters reported. The AC also provides oversight for the effectiveness of the Company's anti-bribery management system.
5. The AC performs independent review of the financial statements of the Company, and reviews the key areas of management judgment applied for adequate disclosure, critical accounting policies and any significant changes that would have a material impact on the financial statements.

6. The AC reviews the adequacy and effectiveness of the internal audit function and its processes, as well as ensures it is adequately resourced to carry out its function effectively. The AC reviews the Internal Audit (IA) Division's plans, its effectiveness and audit scope, and also approves its budget. The AC also reviews the internal audit reports to verify the effectiveness and timeliness of actions taken by Management on the internal auditors' recommendations and observations.
 7. The AC reviews and approves the external audit plan, the scope and results of the external audit. For key audit matters raised by external auditors, the AC reviews and ensures that the judgment and assumptions taken by management are reasonable. The AC also reviews the external audit reports to ensure that significant findings and observations regarding control weaknesses are promptly rectified. Prior to making recommendations to the Board on the external auditor's appointment or reappointment, the AC reviews the external auditor's independence, objectivity and quality of work based on the Audit Quality Indicators Disclosure framework established by the Accounting and Corporate Regulatory Authority. In line with best practice, the external audit partner is rotated every five years. The AC also reviews the non-audit fees awarded to the external auditors to ensure that the non-audit services performed by them would not affect their independence.
 8. The AC meets with the internal and/or external auditors three times during the year. At least one of these meetings is conducted without the presence of Management, where the auditors may raise issues encountered in the course of their work directly to the AC.
- i. the first line of defence is the business units who are responsible for identifying and managing risks inherent in their businesses;
 - ii. the second line of defence comprises the oversight and control functions such as Enterprise Risk Management (ERM), Legal and Compliance, Aerodrome Safety, Aviation Security, Information Security, and Enterprise Performance; and
 - iii. the third line of defence is IA, which provides an independent assessment and assurance on the reliability, adequacy and effectiveness of the Company's system of internal controls, risk management procedures, governance framework and processes.
3. The Company's internal and external auditors review its key internal controls for material non-compliance or failures in internal controls and recommend areas of improvements. The AC also reviews the effectiveness of the actions taken by Management in response to the recommendations made.
 4. The AC also reviews the effectiveness of the enterprise risk management framework and the risk management processes put in place to manage financial and strategic (business) risks while meeting business objectives. Control self-assessments in key areas of the Group's businesses/operations are conducted by Management on a periodic basis to evaluate the adequacy and effectiveness of the risk management and internal control systems.
 5. As part of the Company's anti-bribery management system and ISO37001 certification requirements, all employees have to undergo annual anti-bribery training, and divisions perform identification and assessment of bribery risk annually and put in place appropriate mitigating measures. Employees in sensitive positions are also required to submit Declaration of Anti-Bribery Compliance yearly.
 6. A separate TC evaluates and approves the award of tenders for goods and services exceeding S\$50 million in value, with the exception of those related to new development projects and major redevelopment projects at Changi Airport, which come under the purview of the ECAD. The TC comprises the following Directors:
 - i. Mr Michael George William Barclay - Chairman
 - ii. Ms Kwa Kim Li
 - iii. Mr Ng Chee Khern (appointed 21 October 2020)
 - iv. Mr Lee Seow Hiang

Internal controls

1. The Board and Management of the Company are fully committed to maintaining a robust system of internal controls, procedures and risk management to safeguard our shareholder's interests and the Group's assets. The Board delegates its oversight responsibilities for internal controls, financial and strategic (business) risk management and compliance matters to the AC, which ensures the effectiveness and adequacy of the system of internal controls in the Company, while the ORSC assists the Board in reviewing the operational and safety risk management and compliance systems put in place by Management.
2. The internal controls established by the Company are supported by systems, processes and people. The Company's three lines of defence for risk management are as follows:

Internal audit

7. IA assists the AC to ensure that the Company maintains sound risk management and internal

Corporate Governance

control systems. IA is independent of the activities it audits. It conducts regular audits of high-risk areas, and undertakes investigations as directed by the AC. It comprises suitably qualified and experienced staff, headed by the Senior Vice President, Internal Audit (SVP, IA). SVP, IA reports functionally to the Chairman of the AC, and administratively to the CEO. To ensure the independence of the IA function, the IA team has unrestricted access to the AC.

8. IA adopts a risk-based approach in formulating its annual audit plan that aligns its activities to the key risks across the Company's businesses, focusing on key internal controls, including financial, operational and compliance controls. The annual audit plan is developed in consultation with, but is independent of, Management and is approved by the AC. IA also works closely with Management to provide internal consulting and control advisory to promote effective risk management, robust internal control and good governance practices in the development of new services/products and implementation of new/enhanced systems and processes. Internal audit practices are also guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. IA also harnesses technology to maximise efficiencies in the way it audits, through robust use of analytics and continuous auditing.
9. IA's assessments on the adequacy and effectiveness of internal controls over processes/systems across the businesses are reported to the AC, and a summary of key findings and recommendations are also discussed at the AC meetings. IA also tracks and reports to the AC on the implementation status of actions agreed by Management, so as to ensure prompt and adequate closure of audit observations.

Airport development

1. The ECAD currently comprises three Directors, and nine non-voting co-opted members who provide additional advice and expertise in relation to the development projects.
2. The three Directors are:
 - i. Mr Tan Gee Paw – Chairman (appointed on 5 October 2020)
 - ii. Mr Lim Zhi Jian
 - iii. Mr Lee Seow Hiang
3. The nine non-voting co-opted members are:
 - i. Professor Lui Pao Chuen
 - ii. Ms Patricia Chia

- iii. Mr Chua Hua Meng
- iv. Mr Goh Hup Chor
- v. Mr Lim Bok Ngam
- vi. Mr Tham Kui Seng
- vii. Mr Lai Huen Poh
- viii. Mr Lee Chuan Seng
- ix. Mr Lee Kut Cheung

4. The ECAD oversees new development and major redevelopment projects at Changi Airport. The responsibilities of the ECAD include:
 - i. reviewing and approving collaborations, selection of consultants, architects and other professional advisors, design concepts, aesthetic element proposals and other proposals related to development projects at Changi Airport; and
 - ii. reviewing and approving tenders for goods and services exceeding S\$50 million related to development projects at Changi Airport.

Nominating committee

1. Established at the end of 2018, the NC comprises the following Directors:
 - i. Mr Tan Gee Paw – Chairman (appointed on 5 October 2020)
 - ii. Mrs Tan Ching Yee
 - iii. Mr Chia Song Hwee
 - iv. Ms Kwa Kim Li (appointed on 21 October 2020)
2. The NC assists the Board in reviewing the structure, size, composition, core competencies and skills required by the Board and its committees to support the strategic objectives and values of the Company, and makes relevant recommendations to the Board.

Technology development committee

1. The TDC comprises five Directors, and one non-voting member who has been co-opted to provide additional advice and expertise as follows:
 - i. Mr Ng Chee Khern – Chairman
 - ii. Mr Chia Song Hwee
 - iii. Mr Lim Zhi Jian
 - iv. Mr Wahab Yusoff
 - v. Mr Lee Seow Hiang
 - vi. Professor Lui Pao Chuen (co-opted member)
2. The TDC provides guidance to Management on technology-driven innovation, as well as the development of technological capabilities in support of the Company's transformation. It also guides the Company on its strategy for the procurement of technology, co-development of solutions, or investments into start-ups with promising new technologies.

Enterprise Risk Management

1. In the last financial year, CAG strengthened its risk governance and oversight with weekly Covid-19 focused committee meetings. The meetings provided a dedicated platform for members of the management and business units to discuss the latest risk issues and indicators, in order to guide the company in its risk management strategies amid a highly unpredictable and volatile operating environment.
2. With Covid-19 vaccination efforts commencing in countries around the world towards the end of December 2020, the aviation industry is expecting the possibility of some recovery in 2021. Its Enterprise Risk Management (ERM) efforts will focus on ensuring that the people, processes and systems of CAG and its partners are ready for travel recovery and have the ability to capture the increase in air travel demand when the threat of Covid-19 weakens and travellers start to return. Other equally important areas of focus in CAG's ERM vigilance include maintaining safe, secure and efficient operations and doing the best to keep Changi Airport free of Covid-19 infections.
3. As part of good risk management implementation, there is clarity in risk ownership, roles and responsibilities at the Company's business units, which regularly report top risks and mitigation measures to the Company's Risk Committee (RC), through the ERM Division.
6. The four Directors are:
Mr Michael George William Barclay - Chairman
Ms Kwa Kim Li
Mr Wahab Yusoff
Mr Kelvin Fan

The two co-opted members are:
Mr Wong Woon Liong
Mr Tan Kian Huay
7. Management leads the Company's efforts in developing and strengthening its risk management processes and framework through the RC, supported by the ERM division.
8. Reporting to the AC and ORSC, the RC is chaired by the CEO, and comprises Senior Management members of the Company. It meets regularly to review the Company's key risks and provide directions to strengthen the implementation of ERM in the Company.

Risk awareness culture

Risk governance

4. Both the Board and Management are responsible for the management of risks in CAG. The Board, through the ORSC, provides oversight on operational and safety risks, while the review of the Company's financial and strategic risks are assisted by the AC.
5. The ORSC comprises four Directors and two co-opted members, who provide additional advice and expertise to the committee.
9. At CAG, every employee and everyone working in the airport community is a valued manager of risks. Therefore, the RC, through the ERM Division, continues with its engagement efforts through inter-divisional risk workshops and meetings with risk owners.
10. The ERM division has also continued to strengthen collaboration with business units on areas such as critical engineering systems reliability, cybersecurity, promoting anti-bribery initiatives, and supporting CAG's comprehensive insurance programme.