FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

For The Financial Year Ended 31 March 2022

The directors present their statement to the member together with the audited financial statements of the Group for the financial year ended 31 March 2022 and the balance sheet of the Company as at 31 March 2022.

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 9 to 80 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 2022 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 Tan Gee Paw	Chairman
Mr Lee Seow Hiang	Chief Executive Officer
Mr Abdul Wahab Bin Mohamed Yusoff	
Mr Chia Song Hwee	
Mrs Chng Sok Hui	
Mr Kelvin Fan Sui Siong	
Mr Kee Teck Koon	
Ms Kwa Kim Li	
Mr Mark Yeo	
Mr Ng Chee Khern	
Mrs Tan Ching Yee	
Mr Tan Kong Yam	
Mr Titus Lee	(Alternate director to Mrs Tan Ching Yee appointed on 15 January 2022)

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.

DIRECTORS' STATEMENT

For The Financial Year Ended 31 March 2022

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

Tan Gee Paw
Chairman

Lee Seow Hiang
Chief Executive Officer

9 June 2022

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 1967 (the "Act") and Singapore Financial Reporting Standards (international) ("SFRS(I)s") 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 2022 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 2022;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 March 2022;
- the balance sheets of the Company and the Group as at 31 March 2022;
- 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.

INDEPENDENT AUDITOR'S REPORT

To The Member Of Changi Airport Group (Singapore) Pte. Ltd.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of intangible assets *Refer to Note 3(ii) to the financial statements.* The Group had intangible assets relating to the infrastructure and concession right assets arising from the concession agreement to operate the Antonio Carlos Jobim International (Galeão) Airport in Rio de Janeiro, Brazil. As at 31 March 2022, the carrying value of the concession right amounted to $3,022,255,000 (2021: $2,320,140,000). The entity which holds these assets, Concessionaria Aeroporto Rio de Janeiro S.A ("CARJ"), was deconsolidated on 31 March 2022 (Note 15). As operations in Galeão Airport have been affected by the challenging business environment in Brazil and the COVID-19 pandemic, management performed an impairment review of the intangible assets held by CARJ as at 31 March 2022.	In respect of the inputs which were most sensitive to the estimation of the value-in-use of the concession asset, we involved our valuation specialists to evaluate the valuation methodology and management's assumptions applied based on the information and market conditions prevailing at the date of this report, as follows: • Net cash flows from operations of CARJ; • Amount of government support that CARJ is expected to receive during the re-auction period; and • Net amount of payments that CARJ is contractually entitled to receive upon completion of the re-auction. In respect of the independent valuation expert engaged by the Group, we assessed that they possessed the requisite competency and experience to assist management in the assessment of the recoverable amount of the concession asset.

INDEPENDENT AUDITOR'S REPORT

To The Member Of Changi Airport Group (Singapore) Pte. Ltd.

Our Audit Approach (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of intangible assets (continued) *Refer to Note 3(ii) to the financial statements. (continued)* Management engaged an independent consultant to assess the value-in-use of the assets using the Expected Cash Flows over the period which the re-auction process is expected to be completed. Arising from the impairment assessment, an impairment loss of $12,176,000 (2021: $442,076,000) was recognised in the profit or loss for the financial year ended 31 March 2022. The assessment of impairment of the concession assets was an area of focus as significant judgements were used to estimate the key inputs used in each scenario, such as the net cash flows from operations of CARJ, amount of government support that CARJ is expected to receive during the re-auction process, as well as the net amount of payments that CARJ is contractually entitled to receive upon completion of the re-auction.	We considered the cash flow scenario and assessed management's expectations, the estimated timeline for the completion of the re-auction and the estimated net amount of payments to be received by CARJ upon completion of the re-auction in relation to the concession agreement. We also considered sensitivity analysis performed by the independent valuation expert on the discount rate and projected EBITDA and noted that reasonably possible changes to these factors would not result in material additional impairment loss as at 31 March 2022. We also considered the adequacy of the Group's disclosures (in Notes 3(ii) and 16) made in relation to the impairment assessment performed. Based on our audit procedures performed, we found management's key judgements and basis of assessing the recoverable amount of the concession asset to be reasonable. We also found the disclosures in the financial statements in respect of the key judgements and sources of estimation uncertainty to be adequate.

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.

INDEPENDENT AUDITOR'S REPORT

To The Member Of Changi Airport Group (Singapore) Pte. Ltd.

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 SFRS(I)s, 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.

INDEPENDENT AUDITOR'S REPORT

To The Member Of Changi Airport Group (Singapore) Pte. Ltd.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

The engagement partner on the audit resulting in this independent auditor's report is Kok Moi Lre.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 9 June 2022

CONSOLIDATED INCOME STATEMENT

For The Financial Year Ended 31 March 2022

	Note	Group 2022 $'000	Group 2021 $'000
Revenue	4	**944,140**	696,748
Expenses			
– Depreciation		**(703,369)**	(684,216)
– Amortisation of intangible assets		**(12,415)**	(11,585)
– Maintenance of land, buildings and equipment		**(210,779)**	(201,110)
– Services and security related expenses		**(156,093)**	(145,858)
– Employee compensation	5	**(234,914)**	(164,881)
– CAAS services and licence fees		**(5,846)**	(20,566)
– Property tax		**(26,296)**	(83,036)
– Other operating expenses		**(176,142)**	(121,312)
Total expenses		**(1,525,854)**	(1,432,564)
Operating loss		**(581,714)**	(735,816)
Finance expenses	6	**(259,107)**	(350,336)
Other income and losses – net	7	**164,776**	254,402
Impairment of intangible assets	13	**(12,176)**	(442,076)
Loss on deconsolidation of a subsidiary	15	**(127,963)**	–
Write-down of investment in joint venture	16	**(200,572)**	–
Share of results of associated companies and joint ventures	16	**21,515**	(30,736)
Loss before tax		**(995,241)**	(1,304,562)
Income tax credit	8	**48,112**	44,035
Loss after tax		**(947,129)**	(1,260,527)
Loss after tax attributable to:			
Equity holder of the Company		**(837,626)**	(953,722)
Non-controlling interests		**(109,503)**	(306,805)
		(947,129)	(1,260,527)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 March 2022

	Group	
	2022	2021
	$'000	$'000
Loss after tax	**(947,129)**	(1,260,527)
Other comprehensive income/(loss):		
Items that will not be reclassified to income statement:		
Currency translation losses arising on consolidation – Non-controlling interests	**(623)**	(19,445)
	(623)	(19,445)
Items that may be reclassified subsequently to income statement:		
Cash flow hedges		
– Fair value gains/(losses)	**10,495**	(6,431)
– Reclassification	**5,515**	4,466
– Share of fair value (losses)/gains from an associated company	**(2,875)**	9,715
Share of other comprehensive income of associated company		
– Losses	**–**	(147)
– Reclassification	**147**	–
Currency translation differences arising on consolidation		
– Losses	**(28,443)**	(25,889)
– Reclassification	**162,467**	–
	147,306	(18,286)
Other comprehensive income/(loss), net of tax	**146,683**	(37,731)
Total comprehensive loss	**(800,446)**	(1,298,258)
Total comprehensive loss attributable to:		
Equity holder of the Company	**(698,165)**	(971,045)
Non-controlling interests	**(102,281)**	(327,213)
	(800,446)	(1,298,258)

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

BALANCE SHEETS

As At 31 March 2022

	Note	Group		Company	
		2022	2021	**2022**	2021
		$'000	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and cash equivalents	9	**1,350,855**	1,632,069	**1,237,569**	1,485,117
Trade and other receivables	10	**195,060**	134,654	**186,600**	94,971
Other current assets	11	**195,428**	220,939	**186,568**	211,628
Other investments	18	**537,245**	183,366	**495,537**	109,175
Inventories		**9,942**	15,132	**6,453**	6,568
Tax recoverable		**–**	4,710	**–**	–
		2,288,530	2,190,870	**2,112,727**	1,907,459
Non-current assets					
Trade and other receivables	10	**–**	–	**181,384**	191,779
Other non-current assets	11	**58,049**	80	**84,108**	23,510
Property, plant and equipment	12	**8,033,935**	7,564,557	**7,996,205**	7,517,746
Intangible assets	13	**5,228**	2,865,217	**–**	–
Right-of-use assets	14	**1,030,960**	1,087,268	**1,030,845**	1,087,069
Subsidiaries	15	**–**	–	**333,681**	467,366
Associated companies and joint ventures	16	**27,297**	212,167	**13,614**	12,934
Investment property	17	**1,269,984**	1,330,197	**–**	–
Other investments	18	**17,937**	39,730	**13,855**	13,639
Derivatives	24	**4,981**	–	**–**	–
Deferred tax assets	19	**13,305**	11,115	**–**	–
		10,461,676	13,110,331	**9,653,692**	9,314,043
Total assets		**12,750,206**	15,301,201	**11,766,419**	11,221,502
LIABILITIES					
Current liabilities					
Trade and other payables	20	**805,448**	799,594	**922,710**	916,874
Loans and borrowings	22	**–**	302,735	**–**	–
Lease liabilities	23	**76,940**	80,374	**76,825**	80,175
Deferred income	25	**79,624**	79,652	**69,414**	62,245
Current tax liabilities		**62,695**	145,856	**50,441**	131,656
		1,024,707	1,408,211	**1,119,390**	1,190,950
Non-current liabilities					
Trade and other payables	20	**182,720**	150,443	**157,444**	126,091
Concession payable	21	**–**	2,614,536	**–**	–
Loans and borrowings	22	**2,016,313**	1,534,073	**750,000**	–
Lease liabilities	23	**1,007,670**	1,041,885	**1,007,670**	1,041,885
Derivatives	24	**100,000**	114,308	**–**	–
Deferred income	25	**2,265,297**	1,533,275	**2,265,297**	1,506,417
Deferred tax liabilities	19	**31,618**	72,762	**31,618**	72,762
		5,603,618	7,061,282	**4,212,029**	2,747,155
Total liabilities		**6,628,325**	8,469,493	**5,331,419**	3,938,105
NET ASSETS		**6,121,881**	6,831,708	**6,435,000**	7,283,397
EQUITY					
Share capital and reserves	26	**3,811,576**	3,671,272	**3,788,764**	3,787,921
Retained profits	27	**2,406,446**	3,244,915	**2,646,236**	3,495,476
		6,218,022	6,916,187	**6,435,000**	7,283,397
Non-controlling interests		**(96,141)**	(84,479)	**–**	–
Total equity		**6,121,881**	6,831,708	**6,435,000**	7,283,397

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2022

	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
2022							
Beginning of financial year	**3,280,387**	**12,858**	**(129,507)**	**507,534**	**3,244,915**	**(84,479)**	**6,831,708**
Loss for the year	–	–	–	–	(837,626)	(109,503)	(947,129)
Other comprehensive income	–	5,437	134,024	–	–	7,222	146,683
Total comprehensive income	**–**	**5,437**	**134,024**	**–**	**(837,626)**	**(102,281)**	**(800,446)**
Disposal of controlling interest in subsidiary (Note 15)	–	–	–	–	–	90,619	90,619
Sinking fund contribution	–	–	–	843	(843)	–	–
Total transactions with owners and other movements in equity	**–**	**–**	**–**	**843**	**(843)**	**90,619**	**90,619**
End of financial year	**3,280,387**	**18,295**	**4,517**	**508,377**	**2,406,446**	**(96,141)**	**6,121,881**
2021							
Beginning of financial year	**3,280,387**	**4,292**	**(103,618)**	**506,693**	**4,199,478**	**242,734**	**8,129,966**
Loss for the year	–	–	–	–	(953,722)	(306,805)	(1,260,527)
Other comprehensive income	–	8,566	(25,889)	–	–	(20,408)	(37,731)
Total comprehensive income	**–**	**8,566**	**(25,889)**	**–**	**(953,722)**	**(327,213)**	**(1,298,258)**
Sinking fund contribution	–	–	–	841	(841)	–	–
Total other movements in equity	**–**	**–**	**–**	**841**	**(841)**	**–**	**–**
End of financial year	**3,280,387**	**12,858**	**(129,507)**	**507,534**	**3,244,915**	**(84,479)**	**6,831,708**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 March 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Loss after tax		**(947,129)**	(1,260,527)
Adjustments for:			
– Income tax credit		**(48,112)**	(44,035)
– Depreciation		**703,369**	684,216
– Amortisation of intangible assets		**12,415**	11,585
– Government grant		**(92,409)**	(315,526)
– Net loss on disposal of property, plant and equipment		**3,544**	5,922
– Impairment of intangible assets		**12,176**	442,076
– Loss on deconsolidation of a subsidiary		**127,963**	–
– Write-down of investment in joint venture		**200,572**	–
– Impairment of investment property		**–**	7,666
– Impairment of trade and other receivables		**(164)**	2,477
– Share of results of associated companies and joint ventures		**(21,515)**	30,736
– Unrealised currency translation differences		**(8,964)**	(24,667)
– Loss/(gain) on financial assets held at fair value		**15,905**	(8,326)
– Amortisation of deferred revenue		**(4,178)**	(49,107)
– Finance expenses		**259,107**	350,336
– Interest income		**(26,281)**	(31,330)
– Dividend income		**(552)**	–
		185,747	(198,504)
Changes in working capital			
– Inventories		**3,609**	(1,955)
– Trade and other receivables		**(86,329)**	53,668
– Other assets		**(74,320)**	(71,093)
– Trade and other payables		**(63,620)**	(104,308)
Cash used in operations		**(34,913)**	(322,192)
Interest received		**27,981**	49,855
Government grants received		**48,976**	165,860
Income tax paid		**(79,741)**	(67,690)
Net cash used in operating activities		**(37,697)**	(174,167)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 March 2022

	Note	2022 $'000	2021 $'000
Cash flows from investing activities			
Additions to property, plant and equipment and capital work-in-progress		**(950,582)**	(1,464,289)
Additions to investment property and investment property under development		**(5,463)**	(24,788)
Additions to intangible assets		**(11,929)**	(9,577)
Payment of concession liabilities		**–**	(4,182)
Proceeds from disposal of property, plant and equipment		**23**	607
Proceeds from disposal of associated companies		**–**	27,742
Investment in associated companies and joint ventures		**(680)**	(987)
Dividends received		**56,496**	3,640
Placement in treasury bills		**–**	(55,356)
Purchase of financial assets at fair value through profit or loss		**(415,059)**	(2,245)
Net cash deconsolidated on loss of control of subsidiary	15	**(2,123)**	–
Proceeds from financial assets at amortised cost		**–**	1,000
Net cash used in investing activities		**(1,329,317)**	(1,528,435)
Cash flow from financing activities			
Proceeds from loans and borrowings, net of transactions costs		**750,000**	18,478
Repayment of loans and borrowings		**(306,004)**	(47,556)
Interest paid		**(68,238)**	(68,616)
Payment of lease principal		**(37,289)**	(41,906)
Designated investments / Restricted bank deposits		**–**	17,896
Government grants received		**747,269**	1,093,980
Net cash provided by financing activities		**1,085,738**	972,276
Net decrease in cash and cash equivalents		**(281,276)**	(730,326)
Cash and cash equivalents at beginning of financial year	9	**1,631,109**	2,362,566
Effects of currency translation on cash and cash equivalents		**62**	(1,131)
Cash and cash equivalents at end of financial year	9	**1,349,895**	1,631,109

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

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 34.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with SFRS(I) under the historical cost convention, except as disclosed in the accounting policies below.

Interpretations and amendments to published standards effective in 2021

On 1 April 2021, the Group adopted the new or amended SFRS(I) 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 SFRS(I).

The adoption of these new or amended SFRS(I) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue (continued)

(c) Other airport services

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

(d) Interest income

Interest income is recognised using the effective interest method.

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.

Government grants relating 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

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 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(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).

(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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (continued)

(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.

(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 an investee of the Company entered into with the Brazilian national agency of civil aviation, Agência Nacional de Aviação Civil (“ANAC” or “Concession Authority”), the investee, 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).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (continued)

(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 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).

(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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Investment property (continued)

(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.

2.8 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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; 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (continued)

(a) Classification and measurement (continued)

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 other investments.

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 FVPL*

  Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (continued)

(b) Impairment

The Group assesses expected credit losses ("ECLs") associated with its debt financial assets at amortised cost on a forward-looking basis.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

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.

Cash flow hedge – 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Derivative financial instruments and hedging activities (continued)

Cash flow hedge – 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.

Application of temporary exceptions for cash flow hedges affected by interest rate benchmark reform

The Group's cash flow hedges are referenced to the Singapore Dollar Swap Offered Rate ("SOR") benchmark. As part of the global reform of interest rate benchmarks, SOR publications will cease after 30 June 2023.

The Group has applied the temporary exceptions specified in *Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7: Interest Rate Benchmark Reform – Phase 1* to its cash flow hedges. These temporary exceptions allow the Group to continue hedge accounting for its existing hedge relationships in spite of the impending transition to an alternative reference rate benchmark. The application of these temporary exceptions will cease when the key terms of the transition (such as timing of transition and adjustment spreads) have been finalised.

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.

The fair values of the swaps 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 carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Leases

(i) Where the Group is the lessee

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.

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 to 27 months
Warehouse space	2 years

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 terms.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Leases (continued)

(i) Where the Group is the lessee (continued)

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.

Application of practical expedient for Covid-19-related rent concessions

The Group has elected to apply the practical expedient relating to Covid-19-related rent concessions. As a result of this election, all Covid-19-related rent concessions were recognised directly in profit or loss.

(ii) Where the Group is the lessor

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, as well as goods held for sale. 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

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.

2.23 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. As at the date of these financial statements, while there are early signs of recovery to the aviation industry with easing of border controls, the impact of COVID-19 on the longer-term operational and financial performance of the Group is still uncertain. 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.

(ii) Re-auction of concession, impairment of intangible assets and loss of control over Concessionária Aeroporto Rio de Janeiro S.A. ("CARJ")

The following are significant events that occurred during the financial year ended 31 March 2022 in relation to the Group's investment in CARJ.

(a) Re-auction of concession

During the financial year, the business and economic environment in Brazil continued to remain challenging. Despite short-term support from the Brazilian Government, Brazil's deep economic recession, coupled with the global COVID-19 pandemic that has decimated travel demand, has made it untenable for CARJ to continue to operate Galeão Airport under the terms of the existing concession agreement. As a result, the Group filed for a re-auction of the Galeão Airport concession on 10 February 2022. The re-auction is subject to the approval of CARJ's lenders and government authorities. The re-auction is expected to be completed in the next couple of years. Once the re-auction is completed, the new operator will take over the operations of Galeão Airport. During the transition period, CARJ remains responsible for the continued operation of Galeão Airport.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(ii) Re-auction of concession, impairment of intangible assets and loss of control over Concessionária Aeroporto Rio de Janeiro S.A. ("CARJ") (continued)

(b) Impairment of intangible assets

During the financial year, management performed an impairment review of the intangible assets held by CARJ. An independent consultant was engaged to assess the value in use of the assets using projected cash flows over the period which the re-auction process is expected to occur. Judgments were used to estimate the key inputs, such as the net cash flows from operations of CARJ, the amount of government support that CARJ is expected to receive during the re-auction process, as well as the net amount of payments that CARJ is contractually entitled to receive upon completion of the re-auction. Based on the assessment, the Group recorded an impairment charge of $12,176,000 in profit or loss for the financial year ended 31 March 2022.

In the previous financial year, the independent consultant assessed the value in use of the assets using expected cash flows from two scenarios, due to uncertainties which existed then. Both scenarios were assigned equal probabilities of occurrence. The first scenario assumed the Group would receive long-term government support, thereby continuing to operate Galeão Airport until the end of the concession agreement, while the second scenario assumed that CARJ would file for re-auction. Judgments were used to estimate the key inputs in each scenario, such as passenger traffic, likelihood of receiving the long-term government support, and pre-tax discount rates. Based on the assessment, the Group had recorded an impairment charge of $442,076,000 in profit or loss for the financial year ended 31 March 2021.

The impairments are disclosed in Note 13 of the financial statements.

(c) Loss of control

Subsequent to the filing of re-auction, the Group deconsolidated CARJ as a subsidiary and recognised CARJ as an equity-accounted investee, as the Group no longer has the right to appoint the majority of the members on the CARJ Board of Directors. The net impact was a loss on deconsolidation of $127,963,000 which is disclosed in Note 15 of the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(iii) Loss of joint control and write-down of Transport AMD-2 Ltd ("TAMD-2")

Due to the current conflict between the Russian Federation and Ukraine, the Group assessed that it has practical difficulties participating in TAMD-2's financial and operational activities, resulting in a loss of joint control and reclassification of its investment in TAMD-2 to financial assets held at fair value through profit or loss. In addition, the current measures introduced by the Russian Government over foreign investments have created uncertainty over the remittance of dividends or divestment proceeds by Russian entities to foreign shareholders. Due to the uncertainty as well as disruptions to airport operations, the fair value of TAMD-2 was assessed to be zero, resulting in recognition of a write-down of $200,572,000 in the profit or loss, which included unrealised translation losses of $34,504,000 reclassified from the currency translation reserve. The write-down and reclassification are disclosed in Note 16 of the financial statements.

(iv) Impairment of net investment in a subsidiary

As a consequence of deconsolidation of CARJ disclosed in Note 3(ii) and the write-down of TAMD-2 disclosed in Note 3(iii) and 16, management assessed that the Company's net investment in Changi Airports International Pte. Ltd. ("CAI") was impaired.

As at 31 March 2022, the remaining recoverable amount of CAI, computed based on a sum-of-the-parts valuation model, was determined to be its value-in-use of $287,000,000, largely made up of liquid assets carried on CAI's books. Based on the assessment, the Company impaired its equity investment in CAI by $461,000,000 during the financial year ended 31 March 2022.

In the previous financial year, CAI's recoverable amount was its value-in-use of $448,000,000, comprising mainly its investments in Brazil and Russia. The valuation of the Brazil investment was mainly based on the valuation of intangible assets as disclosed in Notes 3(ii) and 13, while the valuation of the Russian investments was its fair value less costs to sell, calculated using a discounted cash flow model with key unobservable inputs being the discount rate and terminal exit multiple. Based on the assessment, the Company impaired its equity investment in CAI by $415,000,000 during the financial year ended 31 March 2021.

The impairment of net investment in CAI is eliminated on consolidation and does not impact the profit or loss of the Group, and is disclosed in Note 15 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

4. REVENUE

	2022 $'000	2021 $'000
Airport service fees	**289,979**	172,632
Airport concessions and rental income	**347,741**	305,113
Other airport services	**255,202**	148,319
Other revenue	**51,218**	70,684
	944,140	696,748

The variable rent, computed based on percentage of sales, recognised within the Airport concessions and rental income amounted to $18,767,000 (2021: $20,915,000).

Rebates provided to airport concessionaires and tenants have been presented net within airport concessions and rental income. These include amounts granted by the Singapore government as disclosed in Note 7(i).

Other revenue comprises mainly sale of goods and services.

5. EMPLOYEE COMPENSATION

	2022 $'000	2021 $'000
Wages and salaries	**213,360**	146,881
Others	**21,554**	18,000
	234,914	164,881

6. FINANCE EXPENSES

	2022 $'000	2021 $'000
Interest expense on borrowings	**48,598**	158,334
Interest expense on lease liabilities	**41,657**	42,986
Interest expense on concession payable	**165,805**	149,016
Other finance expenses	**3,047**	–
	259,107	350,336

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

7. OTHER INCOME AND LOSSES – NET

	Note	**2022 $'000**	2021 $'000
Interest income			
– Bank deposits		**26,281**	31,321
– Financial assets at amortised cost		**–**	9
Gain on exchange differences		**3,161**	4,005
Impairment of investment property		**–**	(7,666)
Government support	(i)	**115,435**	301,002
Others	(ii)	**19,899**	(74,269)
		164,776	254,402

(i) Government support

Included in government support were COVID-19 government grants, mainly relating to Jobs Support Scheme, as well as annual ground rent rebates.

In the previous financial year, government support included COVID-19 government grants given by the Singapore government as well as financial rebalancing credits received from the Brazil government, which were offset against concession payables (Note 21).

(ii) Others

"Others" included fair value gains or losses on investments, loss on disposal of property, plant and equipment, and other sundry items.

It also included expenses for cost-sharing relief legislated by the Singapore government under the COVID-19 (Temporary Measures) Act 2021, as well as the provision and write-back of contractual claims which arose due to delay and suspension in contracts as a consequence of COVID-19.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

8. INCOME TAX

Income tax credit

	2022 $'000	2021 $'000
Tax expense attributable to profit is made up of:		
– Current income tax		
– Singapore	**39**	306
– Foreign	**5,469**	4
	5,508	310
– Deferred income tax (Note 19)	**(53,438)**	(40,825)
	(47,930)	(40,515)
(Over)/under provision in prior financial years		
– Current income tax		
– Singapore	**(5,677)**	21,101
– Foreign	**(5)**	17
– Deferred income tax (Note 19)	**5,500**	(24,638)
	(48,112)	(44,035)

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2022 $'000	2021 $'000
Loss before tax	**(995,241)**	(1,304,562)
Exclude: Share of results of associated companies and joint ventures	**(21,515)**	30,736
Loss before tax and share of results of associated companies and joint ventures	**(1,016,756)**	(1,273,826)
Tax calculated at tax rate of 17% (2021: 17%)	**(172,849)**	(216,550)
Effects of:		
– Expenses not deductible for tax purposes	**92,624**	78,925
– Income not subject to tax	**(1,049)**	(25,507)
– Tax incentives	**(51)**	(241)
– Deferred tax asset not recognised	**83,181**	200,756
– Utilisation of previously unrecognised tax losses	**–**	(7)
– Different tax rates in other countries	**(52,065)**	(77,891)
– Others	**2,279**	–
Tax credit	**(47,930)**	(40,515)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**181,854**	306,538	**83,069**	210,517
Bank deposits	**1,169,001**	1,325,531	**1,154,500**	1,274,600
	1,350,855	1,632,069	**1,237,569**	1,485,117

Included in cash at bank and bank deposits is an amount of $960,000 (2021: $960,000) that is not readily available for use by the Group. The amount pertains to deposits that the Group has held in trust for an associated company.

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2022	2021
	$'000	$'000
Cash and cash equivalents (as above)	**1,350,855**	1,632,069
Less: Deposits held in trust	**(960)**	(960)
Cash and cash equivalents per consolidated statement of cash flows	**1,349,895**	1,631,109

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Current				
Trade and other receivables	**161,523**	107,499	**153,122**	79,453
Accrued income	**38,020**	37,377	**35,478**	17,518
Less: Loss allowances	**(4,483)**	(10,222)	**(2,000)**	(2,000)
	195,060	134,654	**186,600**	94,971
Non-current				
Loans to subsidiaries	**–**	–	**266,946**	277,341
Less: Loss allowances	**–**	–	**(85,562)**	(85,562)
	–	–	**181,384**	191,779

During the financial year, the decrease in the Group's loss allowances of trade and other receivables was mainly due to the deconsolidation of loss allowances of CARJ (Note 15).

Loans to subsidiaries are unsecured and denominated in Singapore Dollars. The non-current loans to subsidiaries have no fixed terms of repayment. For the financial year ended 31 March 2022, the interest rate charged on the loan ranged from 0% to 3% (2021: 3%).

During the financial year, loans to subsidiaries amounting to $247,315,000 (2021: $776,843,000) were converted into equity of those subsidiaries. Loss allowances relating to the converted loans amounting to $nil (2021: $156,836,000) was correspondingly transferred to the impairment allowance account. Further details are disclosed in Note 15.

11. OTHER ASSETS

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Current				
Prepayments and deposits	**12,295**	12,535	**5,703**	5,660
Interest receivable	**1,922**	3,616	**1,922**	3,616
Grants receivable	**161,942**	182,789	**161,942**	182,789
Others	**19,269**	21,999	**17,001**	19,563
	195,428	220,939	**186,568**	211,628
Non-current				
Interest receivable	–	–	26,092	23,510
Grants receivable	58,016	–	58,016	–
Others	33	80	–	–
	58,049	80	**84,108**	23,510

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

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 2022								
Cost								
Beginning of financial year	1,866,341	2,195,085	3,488,015	65,025	272,784	1,347,255	2,136,407	11,370,912
Currency translation differences	–	–	15	44	243	(6)	–	296
Additions	–	–	165	–	335	95	1,088,932	1,089,527
Transfer from work-in-progress	19,458	95,376	135,631	6,114	19,834	41,219	(317,632)	–
Reclassification	(9,429)	(24,852)	9,975	(18)	4,333	19,971	(1,363)	(1,383)
Disposals	(245)	(1,508)	(35,881)	(106)	(26,856)	(5,838)	–	(70,434)
Cost adjustments	–	–	(284)	–	–	–	–	(284)
Deconsolidation of subsidiary (Note 15)	–	–	(778)	(162)	(1,239)	–	–	(2,179)
End of financial year	1,876,125	2,264,101	3,596,858	70,897	269,434	1,402,696	2,906,344	12,386,455
Accumulated depreciation								
Beginning of financial year	288,144	594,244	1,788,773	36,103	223,670	875,421	–	3,806,355
Currency translation differences	–	–	27	34	177	(3)	–	235
Depreciation charge	75,927	90,598	294,186	5,487	30,549	117,795		614,542
Reclassification	(317)	827	(3,462)	(2)	1,050	1,904	–	–
Disposals	(43)	(1,508)	(32,688)	(106)	(26,718)	(5,804)	–	(66,867)
Deconsolidation of subsidiary (Note 15)	–	–	(778)	(112)	(855)	–	–	(1,745)
End of financial year	363,711	684,161	2,046,058	41,404	227,873	989,313	–	4,352,520
Net book value								
End of financial year	**1,512,414**	**1,579,940**	**1,550,800**	**29,493**	**41,561**	**413,383**	**2,906,344**	**8,033,935**
As at 31 March 2021								
Cost								
Beginning of financial year	784,030	2,303,519	3,245,783	58,917	262,371	1,263,386	1,979,330	9,897,336
Currency translation differences	–	–	(27)	(27)	(171)	3	–	(222)
Additions	–	–	496	64	115	245	1,515,319	1,516,239
Transfer from work-in-progress	1,029,660	5,242	250,500	7,236	15,283	49,545	(1,357,466)	–
Reclassification	52,651	(112,310)	19,959	926	3,139	34,980	(776)	(1,431)
Cost adjustments	–	(1,040)	(283)	–	(102)	(195)		(1,620)
Disposals	–	(326)	(28,413)	(2,091)	(7,851)	(709)	–	(39,390)
End of financial year	1,866,341	2,195,085	3,488,015	65,025	272,784	1,347,255	2,136,407	11,370,912
Accumulated depreciation								
Beginning of financial year	239,892	523,518	1,524,702	32,484	195,952	757,018	–	3,273,566
Currency translation differences	–	–	(26)	(21)	(97)	2	–	(142)
Depreciation charge	43,648	78,973	286,555	5,389	35,807	115,460	–	565,832
Reclassification	4,604	(8,027)	3	100	(216)	3,496	–	(40)
Disposals	–	(220)	(22,461)	(1,849)	(7,776)	(555)	–	(32,861)
End of financial year	288,144	594,244	1,788,773	36,103	223,670	875,421	–	3,806,355
Net book value								
End of financial year	**1,578,197**	**1,600,841**	**1,699,242**	**28,922**	**49,114**	**471,834**	**2,136,407**	**7,564,557**

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

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 2022								
Cost								
Beginning of financial year	1,866,341	2,147,368	3,466,383	64,912	268,996	1,334,963	2,157,032	11,305,995
Additions	–	–	–	–	–	–	1,091,714	1,091,714
Transfer from work-in-progress	19,458	95,376	135,631	6,114	19,834	41,219	(317,632)	–
Reclassification	(9,429)	(24,852)	9,995	(18)	4,333	19,971	–	–
Disposals	(245)	(1,508)	(35,482)	(106)	(26,726)	(5,790)	–	(69,857)
End of financial year	1,876,125	2,216,384	3,576,527	70,902	266,437	1,390,363	2,931,114	12,327,852
Accumulated depreciation								
Beginning of financial year	288,144	592,244	1,778,798	36,051	220,956	872,056	–	3,788,249
Depreciation charge	75,927	89,609	292,131	5,467	29,614	116,946	–	609,694
Reclassification	(317)	827	(3,462)	(2)	1,050	1,904	–	–
Disposals	(43)	(1,508)	(32,293)	(106)	(26,591)	(5,755)	–	(66,296)
End of financial year	363,711	681,172	2,035,174	41,410	225,029	985,151	–	4,331,647
Net book value **End of financial year**	**1,512,414**	**1,535,212**	**1,541,353**	**29,492**	**41,408**	**405,212**	**2,931,114**	**7,996,205**
As at 31 March 2021								
Cost								
Beginning of financial year	784,030	2,254,762	3,223,440	58,841	257,687	1,251,135	1,998,197	9,828,092
Additions	–	–	–	–	–	–	1,516,301	1,516,301
Transfer from work-in-progress	1,029,660	5,242	250,500	7,236	15,283	49,545	(1,357,466)	–
Reclassification	52,651	(112,310)	20,614	926	3,139	34,980	–	–
Disposals	–	(326)	(28,171)	(2,091)	(7,113)	(697)	–	(38,398)
End of financial year	1,866,341	2,147,368	3,466,383	64,912	268,996	1,334,963	2,157,032	11,305,995
Accumulated depreciation								
Beginning of financial year	239,892	522,507	1,516,849	32,435	193,489	754,947	–	3,260,119
Depreciation charge	43,648	77,984	284,134	5,365	34,776	114,156	–	560,063
Reclassification	4,604	(8,027)	43	100	(216)	3,496	–	–
Disposals	–	(220)	(22,228)	(1,849)	(7,093)	(543)	–	(31,933)
End of financial year	288,144	592,244	1,778,798	36,051	220,956	872,056	–	3,788,249
Net book value **End of financial year**	**1,578,197**	**1,555,124**	**1,687,585**	**28,861**	**48,040**	**462,907**	**2,157,032**	**7,517,746**

Borrowing costs capitalised as cost of property, plant and equipment during the year for the Group and Company amounted to $10,300,000 (2021: $nil), with effective interest rates ranging from 1.49% to 1.88% per annum.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

13. INTANGIBLE ASSETS

	Concession right $'000	Infra-structure $'000	Computer software $'000	Capitalised costs $'000	Total $'000
Group					
As at 31 March 2022					
Cost					
Beginning of financial year	2,962,430	590,564	13,222	6,090	3,572,306
Currency translation differences	636,228	116,743	2,160	–	755,131
Additions	211,897	11,300	2,319	–	225,516
Reclassification	–	–	1,383	–	1,383
Disposals/write-off	–	(11)	(224)	(6,090)	(6,325)
Deconsolidation of subsidiary (Note 15)	(3,810,555)	(718,596)	(12,792)	–	(4,541,943)
End of financial year	–	–	6,068	–	6,068
Accumulated amortisation					
Beginning of financial year	45,581	30,972	2,927	6,090	85,570
Currency translation differences	9,804	5,849	691	–	16,344
Amortisation charge	5,667	4,852	1,896	–	12,415
Disposals/write-off	–	(5)	–	(6,090)	(6,095)
Deconsolidation of subsidiary (Note 15)	(61,052)	(41,668)	(4,674)	–	(107,394)
End of financial year	–	–	840	–	840
Accumulated impairment					
Beginning of financial year	596,709	24,810	–	–	621,519
Currency translation differences	118,363	4,052	–	–	122,415
Impairment charge	12,176	–	–	–	12,176
Deconsolidation of subsidiary (Note 15)	(727,248)	(28,862)	–	–	(756,110)
End of financial year	–	–	–	–	–
Net book value					
End of financial year	**–**	**–**	**5,228**	**–**	**5,228**

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

13. INTANGIBLE ASSETS (CONTINUED)

	Concession right $'000	Infra-structure $'000	Computer software $'000	Capitalised costs $'000	Total $'000
Group					
As at 31 March 2021					
Cost					
Beginning of financial year	3,209,392	668,152	12,560	6,090	3,896,194
Currency translation differences	(420,604)	(83,564)	(1,589)	–	(505,757)
Additions	173,642	8,757	820	–	183,219
Transfers	–	–	1,431	–	1,431
Disposals	–	(2,781)	–	–	(2,781)
End of financial year	2,962,430	590,564	13,222	6,090	3,572,306
Accumulated amortisation					
Beginning of financial year	42,492	32,254	1,425	6,090	82,261
Currency translation differences	(3,327)	(3,236)	(275)	–	(6,838)
Amortisation charge	6,416	3,432	1,737	–	11,585
Transfers	–	–	40	–	40
Disposals	–	(1,478)	–	–	(1,478)
End of financial year	45,581	30,972	2,927	6,090	85,570
Accumulated impairment					
Beginning of financial year	237,034	28,152	–	–	265,186
Currency translation differences	(82,401)	(3,342)	–	–	(85,743)
Impairment charge	442,076	–	–	–	442,076
End of financial year	596,709	24,810	–	–	621,519
Net book value					
End of financial year	**2,320,140**	**534,782**	**10,295**	**–**	**2,865,217**

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.

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 CARJ in Brazil. As a result of the review, an impairment charge of $12,176,000 (2021: $442,076,000) was recognised.

Details on estimates and judgments are set out in Note 3(ii).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

14. RIGHT-OF-USE ASSETS

The Group leases land, equipment and warehouse space for its business operations.

	Land $'000	Plant and equipment $'000	Warehouse space $'000	Total $'000
Group				
As at 31 March 2022				
Cost				
Beginning of financial year	1,182,069	15,638	237	1,197,944
Additions	433	1,932	–	2,365
Disposal	(1,146)	(4,337)	–	(5,483)
End of financial year	1,181,356	13,233	237	1,194,826
Accumulated depreciation				
Beginning of financial year	101,208	9,430	38	110,676
Depreciation charge	50,394	6,779	84	57,257
Disposal	(583)	(3,484)	–	(4,067)
End of financial year	151,019	12,725	122	163,866
Net book value				
End of financial year	**1,030,337**	**508**	**115**	**1,030,960**
As at 31 March 2021				
Cost				
Beginning of financial year	1,182,069	5,511	–	1,187,580
Additions	–	10,127	237	10,364
End of financial year	1,182,069	15,638	237	1,197,944
Accumulated depreciation				
Beginning of financial year	50,604	613	–	51,217
Depreciation charge	50,604	8,817	38	59,459
End of financial year	101,208	9,430	38	110,676
Net book value				
End of financial year	**1,080,861**	**6,208**	**199**	**1,087,268**

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

14. RIGHT-OF-USE ASSETS (CONTINUED)

The Company leases land and equipment for its business operations.

	Land $'000	Plant and equipment $'000	Total $'000
Company			
As at 31 March 2022			
Cost			
Beginning of financial year	1,182,069	15,638	1,197,707
Additions	433	1,932	2,365
Disposal	(1,146)	(4,337)	(5,483)
End of financial year	1,181,356	13,233	1,194,589
Accumulated depreciation			
Beginning of financial year	101,208	9,430	110,638
Depreciation charge	50,394	6,779	57,173
Disposal	(583)	(3,484)	(4,067)
End of financial year	151,019	12,725	163,744
Net book value			
End of financial year	**1,030,337**	**508**	**1,030,845**
As at 31 March 2021			
Cost			
Beginning of financial year	1,182,069	5,511	1,187,580
Additions	–	10,127	10,127
End of financial year	1,182,069	15,638	1,197,707
Accumulated depreciation			
Beginning of financial year	50,604	613	51,217
Depreciation charge	50,604	8,817	59,421
End of financial year	101,208	9,430	110,638
Net book value			
End of financial year	**1,080,861**	**6,208**	**1,087,069**

15. SUBSIDIARIES

	Company	
	2022	2021
	$'000	$'000
Unquoted equity shares, at cost	**1,623,681**	1,296,366
Less: Impairment allowance	**(1,290,000)**	(829,000)
	333,681	467,366

Details of significant subsidiaries are included in Note 34.

(a) Additions

During the financial year, the Company subscribed to new equity shares of subsidiaries for a total consideration of $327,315,000 (2021: $1,026,600,000). The consideration included the conversion of loans extended to those subsidiaries into equity, amounting to $247,315,000 (2021: $776,843,000). Corresponding loss allowances on the converted loans amounting to $nil (2021: $156,836,000) was transferred to the impairment allowance account.

(b) Impairment

In the current financial year, the Company recognised impairment of $461,000,000 (2021: $415,000,000) on its investment in CAI. 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(iv).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

15. SUBSIDIARIES (CONTINUED)

(c) Deconsolidation of a subsidiary

Per Note 3(ii), the Group deconsolidated CARJ as a subsidiary and recognised CARJ as an equity-accounted investee during the financial year. Details of the deconsolidation of CARJ are as follows:

(i) Net liabilities deconsolidated

	Note	$'000
Cash and cash equivalents		2,123
Trade and other receivables		29,218
Other investments		82,171
Inventories		1,897
Property, plant and equipment	12	434
Intangible assets	13	3,678,439
Tax recoverable		2,087
Total assets		**3,796,369**
Trade and other payables		31,940
Other non-current liabilities		28,487
Loans and borrowings	22	322,754
Concession payable	21	3,595,952
Current income tax liabilities		2,174
Total liabilities		**3,981,307**
Net liabilities derecognised		**(184,938)**
Exclude: Non-controlling interest		90,618
Net liabilities reclassified to provision	16(iv)	**(94,320)**

(ii) Effect on cash flows of deconsolidation

	$'000
Cash proceeds on derecognition	–
Less: Cash and cash equivalents in subsidiary derecognised	(2,123)
Net cash outflow on derecognition	**(2,123)**

(iii) Loss on deconsolidation

	$'000
Reclassification of currency translation reserve	127,963
Loss on deconsolidation	**127,963**

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

15. SUBSIDIARIES (CONTINUED)

(d) 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). Following the loss of control of CARJ, RJA did not have any non-controlling interests as at 31 March 2022. The following are presented before inter-company eliminations.

	JCAT	RJA Group	JCAT
	As at	As at	
	2022	2021	
	$'000	$'000	$'000
Summarised balance sheet			
Current assets	**82,172**	99,528	87,657
Non-current assets	**1,348,704**	2,886,582	1,404,807
Current liabilities	**(69,125)**	(70,019)	(82,321)
Non-current liabilities	**(1,575,082)**	(2,910,617)	(1,583,814)
Net (liabilities)/assets	**(213,331)**	5,474	(173,671)

	For the financial year ended	For the financial year ended	
	2022	2021	
	$'000	$'000	$'000
Summarised income statement			
Revenue	**76,741**	96,460	88,731
Loss after tax	**(56,049)**	(571,201)	(95,746)
Total comprehensive loss	**(40,039)**	(629,083)	(97,711)
Summarised cash flows			
Net cash from operating activities	**37,397**	8,741	37,728
Net cash from investing activities	**(5,179)**	(12,199)	(28,451)
Net cash from financing activities	**(16,913)**	3,048	21,202

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

16. ASSOCIATED COMPANIES AND JOINT VENTURES

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**261,745**	260,514	**12,934**	11,947
Capital injection	**680**	987	**680**	987
Share of results	**21,515**	(30,736)	**–**	–
Dividends received	**(55,944)**	(3,640)	**–**	–
Share of other comprehensive income	**(2,251)**	9,618	**–**	–
Write-down of joint venture	**(166,068)**	–	**–**	–
Currency translation differences	**(9,162)**	966	**–**	–
Losses in excess of invested capital reclassified to liabilities	**26,360**	24,036	**–**	–
	76,875	261,745	**13,614**	12,934
Less: Impairment allowance	**(49,578)**	(49,578)	**–**	–
End of financial year	**27,297**	212,167	**13,614**	12,934

Set out below are the significant associated companies and joint ventures of the Group as at 31 March 2022.

(i) Bengal Aerotropolis Projects Limited ("BAPL")

The Group has a 30.2% (2021: 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.

(ii) Transport AMD-2 Limited ("TAMD-2")

The Group has a 30% (2021: 30%) equity interest in TAMD-2. During the financial year, TAMD-2 was redomiciled from the Republic of Cyprus to the Russian Federation. 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, Anapa, and Vladivostok in the Russian Federation.

Per Note 3(iii), the Group reclassified its investment in TAMD-2 to financial assets held at fair value through profit or loss and the fair value of TAMD-2 was assessed to be zero, resulting in a write-down of $200,572,000 in profit or loss, which included $166,068,000 of the carrying value written down and unrealised translation losses of $34,504,000 reclassified from currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

16. ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

(iii) Fukuoka International Airport Co., Ltd. ("FUK")

The Group has a 21% (2021: 21%) interest in FUK. The principal activities are to provide airport and related services in the city of Fukuoka, Japan.

During the financial year, the Group has accounted for its share of losses from FUK of $25,944,000 (2021: $24,036,000) that was in excess of its invested capital due to the Group's commitment to provide a shareholder loan to FUK. The amount has been transferred to liabilities as at 31 March 2022 and 2021.

(iv) Concessionária Aeroporto Rio de Janeiro S.A ("CARJ")

The Group has a 51% interest in CARJ. The principal activity of CARJ is the operation and maintenance of Galeão Airport.

Per Note 3(ii), the Group deconsolidated CARJ as a subsidiary and recognised CARJ as an equity-accounted investee. Upon deconsolidation, the Group has accounted for its share of net liabilities from CARJ that was in excess of invested capital amounting to $94,320,000 (Note 15), due to the Group's commitment to a lender of CARJ.

In 2020, CARJ received a notice from the local tax authority to pay certain business taxes (including penalties and interest), to which local management filed an objection. Based on preliminary proceedings and advice from external legal counsel, management has assessed that the chance of loss is not probable. As at 31 March 2022, the Group's share of the contingent liability amounted to $54,740,000 (2021: $42,849,000).

Further details of significant associated companies and joint ventures are provided in Note 34.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

17. INVESTMENT PROPERTY

	Investment property $'000	Investment property under development $'000	Total $'000
Group			
As at 31 March 2022			
Cost			
Beginning of financial year	1,467,616	–	1,467,616
Additions	–	6,146	6,146
Cost adjustments	(5,784)	–	(5,784)
Transfers	187	(187)	–
End of financial year	1,462,019	5,959	1,467,978
Accumulated depreciation			
Beginning of financial year	129,753	–	129,753
Depreciation charge	60,575	–	60,575
End of financial year	190,328	–	190,328
Accumulated impairment			
Beginning and end of financial year	7,666	–	7,666
Net book value			
End of financial year	**1,264,025**	**5,959**	**1,269,984**
As at 31 March 2021			
Cost			
Beginning of financial year	1,554,950	–	1,554,950
Additions	197	–	197
Cost adjustments	(87,531)	–	(87,531)
End of financial year	1,467,616	–	1,467,616
Accumulated depreciation			
Beginning of financial year	66,968	–	66,968
Depreciation charge	62,785	–	62,785
End of financial year	129,753	–	129,753
Accumulated impairment			
Beginning of financial year	–	–	–
Impairment charge	7,666	–	7,666
End of financial year	7,666	–	7,666
Net book value			
End of financial year	**1,330,197**	**–**	**1,330,197**

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

17. INVESTMENT PROPERTY (CONTINUED)

As at 31 March 2022, the fair value of the investment property was $1,270,000,000 (2021: $1,330,000,000). 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.

Further details of the valuation techniques and key inputs used to determine the fair value of the investment property are provided in Note 30(e).

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% (2021: 5%), the fair value would decrease by approximately $32,000,000 (2021: $39,000,000).

During the financial year, due to the COVID-19 pandemic, an impairment review was carried out to assess the recoverable amount of the investment property. The recoverable amount was determined using the fair value less costs to sell approach. As a result of the review, an impairment charge of $nil was recognised (2021: $7,666,000).

The key assumptions used in estimating the recoverable amount are set out below:

	31 March 2022	31 March 2021
Adopted capitalisation rate	**4.0%**	4.0%
Discount rate	**7.3%**	7.3%
Terminal yield	**4.3%**	4.3%

18. OTHER INVESTMENTS

	Group		**Company**	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Current				
Financial assets at FVPL				
– Treasury bills	**–**	74,191	**–**	–
– Quoted instruments	**537,245**	109,175	**495,537**	109,175
	537,245	183,366	**495,537**	109,175
Non-current				
Financial assets at FVPL				
– Treasury bills	**–**	22,009	**–**	–
– Unquoted instruments	**17,937**	17,721	**13,855**	13,639
	17,937	39,730	**13,855**	13,639

Excess cash held by CARJ was invested in treasury bills. Under a bank loan agreement entered into by CARJ, approximately 40% of the funds were designated for purposes of paying concession fees and borrowings. On 31 March 2022, CARJ was deconsolidated (Note 15), and the treasury bills ceased to be consolidated as an asset of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

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	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Deferred income tax assets				
– to be recovered after one year	**(13,305)**	(11,115)	**–**	–
Deferred income tax liabilities				
– to be settled after one year	**31,618**	72,762	**31,618**	72,762

Movement in net deferred income tax liabilities is as follows:

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**61,647**	123,337	**72,762**	163,433
Under/(over) provision in prior years	**5,500**	(24,638)	**5,598**	(23,434)
Tax charged to profit or loss	**(53,438)**	(40,825)	**(46,742)**	(67,237)
Tax charged to other comprehensive income	**3,279**	(402)	**–**	–
Other movements	**1,325**	418	**–**	–
Currency translation differences	**–**	3,757	**–**	–
End of financial year	**18,313**	61,647	**31,618**	72,762

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 $11,760,000 (2021: $1,121,189,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

19. DEFERRED INCOME TAXES (CONTINUED)

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 2022				
Beginning of financial year	117,644	267,975	(1,231)	384,388
(Credited)/charged to profit or loss	(49,742)	45,540	487	(3,715)
Charged to other comprehensive income	–	–	3,279	3,279
Currency translation differences	–	14,671	–	14,671
Deconsolidation of subsidiary (Note 15)	–	(328,186)	–	(328,186)
End of financial year	**67,902**	**–**	**2,535**	**70,437**
As at 31 March 2021				
Beginning of financial year	179,209	253,186	770	433,165
(Credited)/charged to profit or loss	(61,565)	44,822	(1,598)	(18,341)
Credited to other comprehensive income	–	–	(402)	(402)
Currency translation differences	–	(30,033)	(1)	(30,034)
End of financial year	117,644	267,975	(1,231)	384,388

Deferred income tax assets

	Tax losses $'000	Unabsorbed tax allowances $'000	Provisions $'000	Leases $'000	Total $'000
As at 31 March 2022					
Beginning of financial year	(286,040)	(22,787)	(7,947)	(5,967)	(322,741)
(Credited)/charged to profit or loss	(44,632)	2,413	1,167	(3,171)	(44,223)
Other movements	1,325	–	–	–	1,325
Currency translation differences	(14,671)	–	–	–	(14,671)
Deconsolidation of subsidiary (Note 15)	328,186	–	–	–	328,186
End of financial year	**(15,832)**	**(20,374)**	**(6,780)**	**(9,138)**	**(52,124)**
As at 31 March 2021					
Beginning of financial year	(289,403)	(1,951)	(15,738)	(2,736)	(309,828)
(Credited)/charged to profit or loss	(30,785)	(20,897)	7,791	(3,231)	(47,122)
Other movements	357	61	–	–	418
Currency translation differences	33,791	–	–	–	33,791
End of financial year	(286,040)	(22,787)	(7,947)	(5,967)	(322,741)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

19. DEFERRED INCOME TAXES (CONTINUED)

Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Others $'000	Total $'000
As at 31 March 2022			
Beginning of financial year	117,716	1,200	118,916
(Credited)/charged to profit or loss	(49,728)	487	(49,241)
End of financial year	**67,988**	**1,687**	**69,675**
As at 31 March 2021			
Beginning of financial year	179,078	2,783	181,861
Credited to profit or loss	(61,362)	(1,583)	(62,945)
End of financial year	117,716	1,200	118,916

Deferred income tax assets

	Tax losses $'000	Unabsorbed tax allowances $'000	Leases $'000	Provisions $'000	Total $'000
As at 31 March 2022					
Beginning of financial year	(14,515)	(17,765)	(5,967)	(7,907)	(46,154)
Charged/(credited) to profit or loss	1,110	8,958	(3,171)	1,200	8,097
End of financial year	**(13,405)**	**(8,807)**	**(9,138)**	**(6,707)**	**(38,057)**
As at 31 March 2021					
Beginning of financial year	–	–	(2,736)	(15,692)	(18,428)
(Credited)/charged to profit or loss	(14,515)	(17,765)	(3,231)	7,785	(27,726)
End of financial year	(14,515)	(17,765)	(5,967)	(7,907)	(46,154)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Current				
Trade payables	**192,279**	180,580	**184,097**	163,854
Non-trade payables to subsidiaries	**–**	–	**336,569**	254,692
Accrued operating expenses	**155,347**	230,666	**125,513**	195,041
Accrued capital expenditure and development costs	**158,403**	181,377	**148,367**	166,240
Sundry creditors and other accruals	**15,605**	32,729	**12,651**	14,699
Accrued regulatory contribution	**60,658**	68,448	**60,658**	68,448
Deposits received	**81,801**	81,758	**54,855**	53,900
Liabilities in respect of investment in associated companies	**141,355**	24,036	**–**	–
	805,448	799,594	**922,710**	916,874

Included in non-trade payables to subsidiaries is an amount of $331,757,000 (2021: $251,757,000) to be injected as capital into subsidiaries. The remaining 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 was 0.2% as at 31 March 2022 (2021: 0.2% to 0.6%).

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 $7,790,000 (2021: $37,001,000) was utilised against the provision.

Liabilities in respect of investment in associated companies represent the Group's share of associated companies' losses in excess of its interests. Details are disclosed in Note 16(iii) and (iv).

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Non-current				
Accrued capital expenditure and development costs	**123,505**	90,304	**123,505**	90,304
Other non-current liabilities	**59,215**	60,139	**33,939**	35,787
	182,720	150,443	**157,444**	126,091

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

21. CONCESSION PAYABLE

	Group	
	2022	2021
	$'000	$'000
Beginning of financial year	**2,614,536**	2,723,022
Capitalised interest charge	**211,897**	173,642
Interest expense	**165,805**	149,016
Accrued variable concession	**13,887**	8,255
Less: Settlement of concession fees	**–**	(13,906)
Less: Unutilised financial rebalancing	**–**	(79,278)
Currency translation differences	**589,827**	(346,215)
Deconsolidation of subsidiary (Note 15)	**(3,595,952)**	–
End of financial year	**–**	2,614,536

	Group	
	2022	2021
	$'000	$'000
Classified as:		
Current	**–**	–
Non-current	**–**	2,614,536
	–	2,614,536

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

22. LOANS AND BORROWINGS

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Current				
Bank borrowings – secured	**–**	44,372	**–**	–
Bond payable – unsecured	**–**	258,363	**–**	–
	–	302,735	**–**	–
Non-current				
Bank borrowings – secured	**1,018,807**	1,286,567	**–**	–
Loan from non-controlling interest	**247,506**	247,506	**–**	–
Notes payable	**750,000**	–	**750,000**	–
	2,016,313	1,534,073	**750,000**	–

Bank borrowings – secured

Included in total secured bank borrowings for the Group is an amount of $1,018,807,000 (2021: $1,018,297,000) which are referenced to the Singapore Dollar Swap Offered Rate ("SOR") benchmark and contractually repriced between one to three months. In preparation for the global reform of reference rate benchmarks, discussions are ongoing with the banks to transit these borrowings into an alternative benchmark rate. The bank borrowings will mature on the date falling 60 months from the first loan utilisation date, are secured on the assignment of insurances and contractual proceeds and are subjected to loan covenants that have been suspended by the banks for 6 to 12 months from the balance sheet date.

In the previous financial year, included in total secured bank borrowings for the Group was an amount of $312,642,000 which pertained to borrowings by 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% 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 CARJ and is related only to the portion directly lent by BNDES.

Loan from non-controlling interest

The loan from non-controlling interest is unsecured, subordinated to external borrowings and is not expected to be repaid within the next twelve months from the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

22. LOANS AND BORROWINGS (CONTINUED)

Notes payable

Notes payable pertains to amounts issued by the Company under its $2,000,000,000 Multicurrency Medium Term Note Programme. The terms of the notes were as follows:

	Maturity	Coupon	2022 $'000
Medium-term notes	12 May 2031	1.88%	**500,000**
Medium-term notes	20 September 2028	1.49%	**250,000**
			750,000

Bond payable – unsecured

The unsecured bond payable pertained to a bond issued by a subsidiary of the Company. The interest on the bond was 5% per annum. The Group had redeemed the outstanding bond on 8 April 2021.

At the balance sheet date, the fair values of the bank borrowings, loan from non-controlling interest, bond payable and notes payable approximated their carrying values.

Reconciliation of loans and borrowings arising from financing activities

	2022 $'000	2021 $'000
Beginning of financial year	**1,836,808**	1,803,241
Net proceeds/(repayment)	**418,737**	(53,454)
Non-cash changes:		
– Interest and remeasurement	**25,349**	133,164
– Foreign exchange movement	**57,662**	(46,654)
– Deconsolidation of subsidiary (Note 15)	**(322,754)**	–
– Other non-cash movements	**511**	511
End of financial year	**2,016,313**	1,836,808

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

23. LEASE LIABILITIES

The movement in the Group's and Company's lease liabilities was as follows:

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**1,122,259**	1,155,225	**1,122,060**	1,155,225
Additions	**2,353**	10,353	**2,353**	10,127
Disposal	**(1,416)**	–	**(1,416)**	–
Interest expense	**41,657**	42,986	**41,654**	42,984
Repayment of principal	**(37,289)**	(41,905)	**(37,202)**	(41,876)
Repayment of interest	**(42,979)**	(44,238)	**(42,979)**	(44,238)
Revaluation	**25**	(162)	**25**	(162)
End of financial year	**1,084,610**	1,122,259	**1,084,495**	1,122,060

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Classified as:				
Current	**76,940**	80,374	**76,825**	80,175
Non-current	**1,007,670**	1,041,885	**1,007,670**	1,041,885
	1,084,610	1,122,259	**1,084,495**	1,122,060

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

24. DERIVATIVES

	Group		
		Fair value	
	Contract notional amount $'000	Asset $'000	Liability $'000
As at 31 March 2022			
Derivatives held for hedging:			
Cash flow hedge			
– Interest rate swaps	**510,000**	**4,981**	**–**
Derivatives not held for hedging:			
– Detachable warrants	**100,000**	**–**	**(100,000)**
		4,981	**(100,000)**
Classified as:			
– Non-current		**4,981**	**(100,000)**
As at 31 March 2021			
Derivatives held for hedging:			
Cash flow hedge			
– Interest rate swaps	510,000	–	(14,308)
Derivatives not held for hedging:			
– Detachable warrants	100,000	–	(100,000)
		–	(114,308)
Classified as:			
– Non-current		–	(114,308)

The weighted average hedged rate for interest rate swaps was 1.5% (2021: 1.5%). The interest rate swaps mature in July 2024. In preparation for the global reform of reference rate benchmarks, discussions are ongoing with the counterparties to explore the transition of the interest rate swaps from SOR benchmark into an alternative benchmark rate.

The detachable warrants, issued by a subsidiary of the Company, are exercisable at the holder's discretion into shares of certain investees 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. The warrants mature on 4 April 2029. The Group assessed that based on currently available information, it is probable the warrants are likely to be fully exercised by the holders before maturity on current or future investments entered into by the subsidiary of the Company.

There was no hedge ineffectiveness during the year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

25. DEFERRED INCOME

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Advances received	**28,294**	26,729	**18,684**	15,964
Deferred revenue	**72,292**	109,371	**71,692**	75,871
Deferred grants	**2,244,335**	1,476,827	**2,244,335**	1,476,827
	2,344,921	1,612,927	**2,334,711**	1,568,662
Classified as:				
Current	**79,624**	79,652	**69,414**	62,245
Non-current	**2,265,297**	1,533,275	**2,265,297**	1,506,417
	2,344,921	1,612,927	**2,334,711**	1,568,662

Deferred grants are mainly amounts granted by the government to partially defray the costs of construction or acquisition of property, plant and equipment. Additions to such deferred grants during the financial year amounted to $792,294,000 (2021: $1,171,101,000). The deferred grants amortised to offset depreciation during the financial year amounted to $29,005,000 (2021: $3,860,000).

26. SHARE CAPITAL AND RESERVES

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Share capital	**3,280,387**	3,280,387	**3,280,387**	3,280,387
Other reserve (b(i))	**27,861**	27,714	**–**	–
Hedging reserve	**(9,566)**	(14,856)	**–**	–
Currency translation reserve	**4,517**	(129,507)	**–**	–
Sinking fund reserve (b(ii))	**508,377**	507,534	**508,377**	507,534
	3,811,576	3,671,272	**3,788,764**	3,787,921

(a) Share capital

The Group and Company's share capital comprises 3,280,387,000 (2021: 3,280,387,000) fully paid-up ordinary shares with no par value, amounting to a total of $3,280,387,000 (2021: $3,280,387,000).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

26. SHARE CAPITAL AND RESERVES (CONTINUED)

(b) Composition of reserves

(i) Included in other reserve is an amount which 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 SFRS(I). The remaining amount pertains to the share of reserves of associated companies.

(ii) The sinking fund reserve was set up for the Changi East Development.

The above reserves are non-distributable.

(c) Movements of reserves

(i) Hedging reserve

	Group	
	2022	2021
	$'000	$'000
Beginning of financial year	**(14,856)**	(23,569)
Fair value gains/(losses)	**10,495**	(6,431)
Reclassified to profit or loss	**5,515**	4,466
Share of hedging reserve from an associated company	**(2,875)**	9,715
Less: Non-controlling interests	**(7,845)**	963
End of financial year	**(9,566)**	(14,856)

(ii) Currency translation reserve

	Group	
	2022	2021
	$'000	$'000
Beginning of financial year	**(129,507)**	(103,618)
Net currency translation differences of foreign subsidiaries, associated companies and joint ventures	**(29,066)**	(45,384)
Reclassified to profit or loss	**162,467**	–
Share of currency translation gain of associated companies and joint ventures	**–**	50
Less: Non-controlling interests	**623**	19,445
End of financial year	**4,517**	(129,507)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

26. SHARE CAPITAL AND RESERVES (CONTINUED)

(c) Movements of reserves (continued)

(iii) Sinking fund reserve

	Group and Company	
	2022	2021
	$'000	$'000
Beginning of financial year	**507,534**	506,693
Sinking fund contribution	**843**	841
End of financial year	**508,377**	507,534

27. RETAINED PROFITS

Movements in retained profits for the Group and Company are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**3,244,915**	4,199,478	**3,495,476**	4,476,637
Net loss	**(837,626)**	(953,722)	**(848,397)**	(980,320)
Sinking fund contribution	**(843)**	(841)	**(843)**	(841)
End of financial year	**2,406,446**	3,244,915	**2,646,236**	3,495,476

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

28. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements were as follows:

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Investment property	**15,457**	–	**–**	–
Property, plant and equipment	**2,505,519**	3,315,201	**2,505,519**	3,311,680

The Group's share of associated companies' and joint ventures' capital commitments was approximately $552,000 (2021: $5,900,000).

(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 2022		
Not later than one year	156,164	121,205
Between one and two years	74,866	56,197
Between two and three years	29,991	24,053
Between three and four years	20,783	18,222
Between four and five years	21,571	19,341
Later than five years	574,379	570,491
	877,754	**809,509**
As at 31 March 2021		
Not later than one year	192,885	101,571
Between one and two years	61,815	29,540
Between two and three years	34,655	18,979
Between three and four years	20,834	18,476
Between four and five years	19,512	17,707
Later than five years	504,839	499,092
	834,540	685,365

NOTES TO THE FINANCIAL STATEMENTS

29. CONTINGENCIES

In the previous financial year, the Group had contingencies relating to CARJ's administrative and legal proceedings of $119,872,000.

30. 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 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

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"), Brazilian Reals ("BRL"), Indian Rupees ("INR") and Japanese Yen ("JPY").

If the USD and EUR had strengthened / weakened by 5% (2021: 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's financial assets are predominantly made up of low risk, liquid investments which are 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 loans and borrowings. The Group manages a significant portion of these cash flow interest rate risks using floating-to-fixed interest rate swaps.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 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.

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.

As at the balance sheet date, the Group had a credit loss allowance of $4,483,000 (2021: $10,222,000) and the Company had a credit loss allowance of $2,000,000 (2021: $2,000,000) 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 provided credit loss allowances on its loans to subsidiaries amounting to $nil (2021: $85,562,000).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

30. 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.

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
Group			
31 March 2022			
Trade and other payables	658,717	127,348	30,299
Loans and borrowings	25,932	1,337,176	794,208
Lease liabilities	76,940	302,283	1,188,416
31 March 2021			
Trade and other payables	793,894	116,293	34,146
Loans and borrowings	315,017	1,481,547	80,053
Concession payable	–	830,854	8,986,544
Lease liabilities	42,592	302,256	1,264,559
Company			
31 March 2022			
Trade and other payables	918,983	127,146	30,299
Loans and borrowings	13,125	52,536	794,208
Lease liabilities	76,826	302,283	1,188,416
31 March 2021			
Trade and other payables	916,874	91,945	34,146
Lease liabilities	42,393	302,256	1,264,559

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

30. 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 $'000	Between 1 and 5 years $'000
Group		
31 March 2022		
Net-settled derivative financial instruments		
– Interest rate swaps	5,970	7,988
Net cash outflows	5,970	7,988
31 March 2021		
Net-settled derivative financial instruments		
– Interest rate swaps	6,737	15,768
Net cash outflows	6,737	15,768

(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.

(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, 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).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 March 2022				
Assets				
Other investments	–	555,182	–	555,182
Derivative financial instruments	–	4,981	–	4,981
Investment property	–	–	1,270,000	1,270,000
Total assets	**–**	**560,163**	**1,270,000**	**1,830,163**
31 March 2021				
Assets				
Other investments	–	223,096	–	223,096
Investment property	–	–	1,330,000	1,330,000
Total assets	**–**	**223,096**	**1,330,000**	**1,553,096**
Liabilities				
Derivative financial instruments	–	114,308	–	114,308
Total liabilities	**–**	**114,308**	**–**	**114,308**
Company				
31 March 2022				
Assets				
Other investments	–	509,392	–	509,392
Total assets	**–**	**509,392**	**–**	**509,392**
31 March 2021				
Assets				
Other investments	–	122,814	–	122,814
Total assets	**–**	**122,814**	**–**	**122,814**

There were no transfers between levels 1, 2 and 3 during the year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

31. SEGMENT REPORTING

The Group's segment results are organised based on the operational nature of business conducted. Business segments are aggregated when the goods or services provided, type of customers, nature of business operation, and economic environment is similar. Transactions between segments are recorded within the segment as if they are third party transactions and eliminated on consolidation. The Group's reportable segments are described below:

(i) Airport-related businesses

Principal activities relate to ownership, development, operation, management and provision of airport facilities and airport-related services, as well as airport investment and consultancy.

(ii) Jewel operations

Principal activities relate to the ownership, development, operation and management of the Jewel mixed-use development in Singapore.

(iii) Others

Others mainly comprise goods and services sold by the Group. None of these segments individually meet the quantitative thresholds for determining reportable segments.

For the financial year ended 31 March 2022, one customer (2021: one customer) accounted for 10% or more of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

31. SEGMENT REPORTING (CONTINUED)

Information regarding the Group's business segments is as follows:

	Airport-related businesses					
	Singapore $'000	Brazil $'000	Jewel operations $'000	Others $'000	Elimination $'000	Total $'000
Segment results						
2022						
External revenue	735,180	131,268	76,414	1,278	–	944,140
Inter-segment revenue	16,493	–	–	5	(16,498)	–
Total revenue	751,673	131,268	76,414	1,283	(16,498)	944,140
Operating loss	(548,536)	11,438	(38,271)	(3,052)	(3,293)	(581,714)
Finance expenses	(46,511)	(192,714)	(22,465)	–	2,583	(259,107)
Other income and losses – net	144,218	22,635	454	74	(2,605)	164,776
Impairment	–	(12,176)	–	–	–	(12,176)
Loss on deconsolidation of a subsidiary	–	(127,963)	–	–	–	(127,963)
Write-down of investment in joint venture	(200,572)	–	–	–	–	(200,572)
Share of results of associated companies and joint ventures	21,515	–	–	–	–	21,515
Income tax	41,395	–	6,728	(11)	–	48,112
Loss after tax	(588,491)	(298,780)	(53,554)	(2,989)	(3,315)	(947,129)
Attributable to:						
Equity holder of the Company	(588,491)	(215,517)	(27,314)	(2,989)	(3,315)	(837,626)
Non-controlling interests	–	(83,263)	(26,240)	–	–	(109,503)
	(588,491)	(298,780)	(53,554)	(2,989)	(3,315)	(947,129)
2021						
External revenue	510,427	96,460	89,283	578	–	696,748
Inter-segment revenue	13,866	–	41	34	(13,941)	–
Total revenue	524,293	96,460	89,324	612	(13,941)	696,748
Operating loss	(685,511)	(15,725)	(29,523)	(2,226)	(2,831)	(735,816)
Finance expenses	(150,636)	(175,562)	(31,685)	–	7,547	(350,336)
Other income and losses – net	164,071	93,678	10,724	1,144	(7,549)	262,068
Impairment	–	(442,076)	(7,666)	–	–	(449,742)
Share of results of associated companies and joint ventures	(30,736)	–	–	–	–	(30,736)
Income tax	72,853	(31,516)	3,124	(426)	–	44,035
Loss after tax	(629,959)	(571,201)	(55,026)	(1,508)	(2,833)	(1,260,527)
Attributable to:						
Equity holder of the Company	(629,959)	(291,357)	(28,065)	(1,508)	(2,833)	(953,722)
Non-controlling interests	–	(279,844)	(26,961)	–	–	(306,805)
	(629,959)	(571,201)	(55,026)	(1,508)	(2,833)	(1,260,527)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

31. SEGMENT REPORTING (CONTINUED)

	Airport-related businesses					
	Singapore $'000	Brazil $'000	Jewel operations $'000	Others $'000	Elimination $'000	Total $'000
Other information						
As at 31 March 2022						
Segment assets	12,229,699	–	1,426,180	3,755	(909,428)	12,750,206
Segment liabilities	(5,622,886)	–	(1,631,447)	(10,002)	636,010	(6,628,325)
Net assets	6,606,813	–	(205,267)	(6,247)	(273,418)	6,121,881
Associated companies and joint ventures	27,297	–	–	–	–	27,297
Other non-current assets	9,033,912	–	1,330,943	20	(24,768)	10,340,107
For the financial year ended 31 March 2022						
Capital expenditure	1,096,808	223,312	6,146	70	(2,782)	1,323,554
Capital injection into an associated company	680	–	–	–	–	680
Depreciation and amortisation	639,575	12,163	63,952	94	–	715,784

Other non-current assets comprise property, plant and equipment, intangible assets, right-of-use assets, and investment property.

Capital expenditure comprises additions to property, plant and equipment, intangible assets, right-of-use assets, and investment property.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

31. SEGMENT REPORTING (CONTINUED)

	Airport-related businesses					
	Singapore $'000	Brazil $'000	Jewel operations $'000	Others $'000	Elimination $'000	Total $'000
Other information						
As at 31 March 2021						
Segment assets	11,797,362	2,986,110	1,481,802	3,775	(967,848)	15,301,201
Segment liabilities	(4,396,358)	(2,980,636)	(1,649,524)	(7,033)	564,058	(8,469,493)
Net assets	7,401,004	5,474	(167,722)	(3,258)	(403,790)	6,831,708
Associated companies and joint ventures	212,167	–	–	–	–	212,167
Other non-current assets	8,610,627	2,863,737	1,394,818	43	(21,986)	12,847,239
For the financial year ended 31 March 2021						
Capital expenditure	1,529,563	182,522	197	30	(2,293)	1,710,019
Capital injection into an associated company	987	–	–	–	–	987
Depreciation and amortisation	617,876	11,526	66,282	117	–	695,801

Other non-current assets comprise property, plant and equipment, intangible assets, right-of-use assets, and investment property.

Capital expenditure comprises additions to property, plant and equipment, intangible assets, right-of-use assets, and investment property.

32. IMMEDIATE AND ULTIMATE HOLDING ENTITY

The Company's immediate and ultimate holding entity is the Minister for Finance, incorporated in Singapore.

33. 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	
	2022	2021
	$'000	$'000
Revenue		
– Airport service fees	**132,859**	64,309
– Franchise fees	**28,130**	16,970
Expenses		
– Security related expenses	**53,105**	54,432
Receivables		
– Trade and other receivables	**16,250**	9,328
Payables		
– Trade and other payables	**7,694**	6,319

(b) Key management personnel compensation paid or payable amounted to $8,510,000 (2021: $7,690,000). Of this, $7,670,000 (2021: $7,158,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

34. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			31 March 2022 %	31 March 2021 %
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
E-Concierge Pte Ltd [(a)]	E-commerce distribution	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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

34. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP (CONTINUED)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 31 March 2022 %	31 March 2021 %
Significant subsidiaries (continued)				
Held by the Group: (continued)				
Rio de Janeiro Aeroporto S.A [(b)]	Investment holding	Brazil	**100**	100
Concessionária Aeroporto Rio de Janeiro S.A [(b)]	Airport concessionaire	Brazil	**–** [(d)]	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**	100
Changi Travel International Pte. Ltd. [(a)]	Provision of management services and representing airlines as general sales agent	Singapore	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

34. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP (CONTINUED)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 31 March 2022 %	Equity holding 31 March 2021 %
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:				
Concessionária Aeroporto Rio de Janeiro S.A [b]	Airport concessionaire	Brazil	**51** [d]	–
Bengal Aerotropolis Projects Ltd [c]	Development of airport and township projects	India	**30.2**	30.2
Transport AMD-2 Ltd [c]	Investment holding	Russia	– [e]	30
OJSC International Airport Sochi [c]	Provision of airport and airport-related services	Russia	– [e]	30
OJSC International Airport Krasnodar [c]	Provision of airport and airport-related services	Russia	– [e]	30
OJSC International Airport Anapa [c]	Provision of airport and airport-related services	Russia	– [e]	30
Terminal Vladivostok [c]	Provision of airport and airport-related services	Russia	– [e]	20
Vladivostok International Airport [c]	Provision of airport and airport-related services	Russia	– [e]	18.5
Fukuoka International Airport Co., Ltd [c]	Provision of airport and airport-related services	Japan	**21**	21
Sino-Singapore Chongqing Airport Commercial Management Co., Ltd. [b]	Provision of retail mall management services	People's Republic of China	**49**	49

(a) Audited by PricewaterhouseCoopers LLP, Singapore.
(b) Audited by overseas practice of PricewaterhouseCoopers LLP.
(c) Audited by other firms
(d) During the financial year, the Group derecognised CARJ as a subsidiary and recognised CARJ as an equity accounted investee.
(e) During the financial year, the Group derecognised TAMD-2 as a joint venture and recognised TAMD-2 as financial assets held at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 March 2022

35. 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 2022 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.

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 9 June 2022.